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| CONTENTS | PAGE |
|--|------|
| INTERNATIONAL AFFAIRS | |
| Briefs | |
| USSR Aid to Montenegro | 1 |
| ALBANIA | |
| Economic-Financial Problems Require Effective Solution (Andrea Nako; RRUGA E PARTISE, May 79) | 2 |
| Problems in Scientific Planning of Economy Discussed (Besim Bardhoshi; RRUGA E PARTISE, May 79) | 15 |
| Dode Stresses Need for Improved Economic Planning (Editorial, Petro Dode; ZERI I POPULLIT, 20 Jul 79) ... | 26 |
| CZECHOSLOVAKIA | |
| Work Force Potential to Year 2000 Viewed (Vladimir Srb; HOSPODARSKE NOVINY, 27 Jul 79) | 36 |
| Briefs | |
| More Vegetables, Less Fruit | 40 |
| POLAND | |
| General Goals of 1980 Draft Plan Listed (ZYCIE GOSPODARCZE, 5 Aug 79) | 41 |
| Economizing Measures of 1980 Plan Outlined (ZYCIE GOSPODARCZE, 5 Aug 79) | 42 |

| CONTENTS (Continued) | Page |
|--|------|
| Commentary on 6-Month Plan Fulfillment Given (ZYCIE GOSPODARCZE, 5 Aug 79) | 43 |
| ROMANIA | |
| Problem Areas in Contracting System (M. Marinescu; REVISTA ECONOMICA, 15 Jun 79) | 46 |
| Causes, Prevention of Overstocking (Vasile Gheorghiu; REVISTA ECONOMICA, 15 Jun 79) | 50 |
| YUGOSLAVIA | |
| Nine New Laws Proposed To Aid Montenegro (J. Radovanovic; BORBA, 25 Jun 79) | 54 |
| Yugoslav Agricultural Cooperation With African Countries (Z. Cicmirko-Pokrajcic; PRIVREDNI PREGLED, 3 Aug 79) . | 58 |

INTERNATIONAL AFFAIRS

BRIEFS

USSR AID TO MONTENEGRO--Luka Stijepovic, president of a local community within Risan which was badly damaged in the recent earthquake, said that 90 weekend cottages are expected to arrive soon from the USSR, assembly of which will be finished by the end of October. Risan has become a large construction site. Many social projects are being built, including a hospital and a hotel. Housing construction will also soon begin more intensively. [Excerpt] [Belgrade BORBA in Serbo-Croatian 31 Aug 79 p 7]

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ALBANIA

ECONOMIC-FINANCIAL PROBLEMS REQUIRE EFFECTIVE SOLUTION

Tirana RRUGA E PARTISE in Albanian May 79 pp 20-32

[Article by Andrea Nako: "Evaluation and Correct Solution of Economic-Financial Problems--A Basis for High Rates in Social Production"]

[Text] The party line in economic questions has always been accurate. The party has always regarded management of the economy as a great political and ideological problem. As a result, our socialist economy has been and is characterized by high and stable rates of growth, by an integrated and proportional development of all branches and sectors of it, by complete unity between the material, financial and human sides. During 1978 too, in spite of the many difficulties and obstacles from the imperialist-revisionist blockade and encirclement, and especially those which the Chinese revisionists have created for us, our economy has developed and become further consolidated. The social product has grown more than twice as fast as the rate of population growth. Internal accumulation has met the needs for development of the productive forces and the defense of the country. There has been a considerable increase in new industrial, agricultural and social-cultural works, the material-technical base of the economy has been further strengthened and modernized. The overwhelming majority of enterprises, cooperatives, and branches and sectors of the economy have satisfactorily exceeded the plan tasks. But advancement of the results in developing the country's economy and culture, the fulfillment of the planned state tasks one by one, requires perfection of the organization and management of the economy, more thorough treatment of economic-financial problems from the political and ideological angle, and mobilization and greater exploitation of the possibilities and internal reserves.

The Sixth Plenum of the Party Central Committee set important tasks in making more thoroughly known and enforcing without concessions the party's economic-financial policy. The reasons for this are: First, the party has set great and important tasks for further developing the productive forces, perfecting the relationships in production and strengthening the defensive capability of our socialist fatherland; second, in spite of the achievements on the economic front there are still a good many problems demanding treatment and solution on a more thorough scientific basis and in conformity with the

party's economic-financial policy; third, the full construction of the socialist society, under the conditions of the imperialist and revisionist blockade, grounded entirely on our material, financial and human resources, necessarily requires the development of production at a high rate and the growth of socialist accumulation.

Within this framework, a thorough understanding and the taking of concrete measures concerning fulfillment of the economic-financial plan for 1979, which is the fourth year of the Sixth Five-Year Plan and in which the whole economic and cultural development of the country rests entirely upon our possibilities and material and financial reserves, assume very great importance. These are the reasons why the party has ordered us to mobilize all our forces, all the drive and enthusiasm of the working masses, all the experience and inexhaustible abilities of our workers, cadres and specialists to fulfill the plan tasks one by one. The generally positive results achieved in fulfilling the economic-financial plans for the first quarter of this year are an incarnation of the work and struggle made by all workers to perform the tasks set them.

Great experience has now been accumulated in the matter of organizing, managing and administering production on a scientific basis. In every branch and sector of the economy, in every city and district, there are dozens and dozens of worker collectives which carry out the plan tasks rhythmically and in all the economic-financial indicators, giving the economy products and accumulations above the assigned tasks. It is up to us to learn about that experience and generalize it still better. This becomes necessary because, alongside of the overwhelming majority of enterprises that fulfill the economic-financial indicators, there are also some which create deficits in production and accumulation, such as certain farm enterprises, certain construction enterprises, certain enterprises of the light and food industries, and so forth.

Analyses show that the reasons for the nonfulfillment of the plan tasks are chiefly of an objective character. For example, in a good many cases one notes that, while in the process of planning a good job is done in drawing out the creative thinking of the workers in determining the most mobilizing tasks, and in making every worker as conscious and as aware as possible regarding the objectives set, in the process of fulfilling the plans work is not continued with the vigor and vitality required in order to insure the one-by-one fulfillment of the assigned tasks. The technical-organizational measures are not complete and comprehensive, pursuit of the fulfillment of the tasks by the managers of the enterprises is not well organized in all links of production, economic-financial analyses are not always made in due time and with strong demand for an accounting. Discipline in fulfilling the plans is seriously damaged particularly by working by jumps and by the absence of rhythmic performance of the production tasks every day, week and month. Not infrequently one encounters the notion that "we will make up the deficits from this 15-day period or this month in the next 15-day period or month."

The fight to overcome weather difficulties, especially in agriculture, fishing and construction, is also not well organized in some cases. Instead of analyzing the reasons for nonperformance, all kinds of excuses are put forth to the effect that nothing but objective factors stood in the way of performing the tasks, without looking deeply into the shortcomings and weaknesses in the organization and management of labor. But in practice there are also cases where the realization of the plan indicators "in the global" becomes a cause of manifestations of self-complacency and euphoria. We emphasize this because there are cases where, in some enterprises and cooperatives, although the plan tasks are fulfilled, the results would have been still better if the favorable conditions had been exploited better. Practice shows that both when we have performance, and when we have non-performance, there are brigades, sectors, departments, enterprises and cooperatives that work better, but there are also some that do not work as they should. Hence, the party bids us, socialist propaganda and enthusiasm must aim at generalizing the positive experience and severely criticize the negative, and must be concerned not only with a few dry figures, but also with the live work of human beings, with the discovery and generalization of the factors that have made it possible to carry out and exceed the tasks.

Consistent enforcement of the principle of continuity in planning, and the fight against any tendency to isolate the work on planning from that on performing the plan tasks assume great importance in insuring the prompt fulfillment of the tasks in quantity, quality and accumulation, in developing the economy not only as a whole, but in every one of its links and cells, in accordance with the rates of the tasks set. A more thorough understanding of this question will result in strengthening the ideopolitical and organizational-technical measures for performance of the tasks in all the economic-financial indicators. Fundamental here is the continual improvement of the method of managing economic-financial problems in keeping with the stage of our economic-social development, by waging a harder fight against alien manifestations and empiricism in managing the economy.

The working masses, mobilized to put into effect the assigned tasks, are constantly increasing the income of the state budget, but in some enterprises and cooperatives one also notes manifestations of onesidedness, a kind of separation of work and struggle to fulfill the plan for incomes and expenditures in the economy. For the first quarter the income of the state budget was fulfilled over one hundred percent, but the expenditures from the state budget for investments were fulfilled about 90 percent. Here we do not have to do with savings, but with delays in the time of delivery of new works, which causes postponement of the commencement of operation of a project. The effects of such action are negative for an increase in production and accumulation. The plan for prepayments for work-days or for work norms by the farm cooperatives has likewise not been fulfilled. This too cannot be considered as a saving, for in some districts the planned days of work have not been performed, and so the operations and services on farm crops have not been done in time or quantity. The point is that we must establish a firmer connection between the job of increasing revenue and the prompt effectuation of expenditures, especially those for investments,

with a strict regime of economy, for unless these things are accomplished, we cannot attain the objectives set regarding the increase in production and, together therewith, socialist accumulation for today and the prospective future.

"In the economy, as in every other field," Comrade Enver Hoxha teaches us, "management is profoundly political and economic-financial plans is also primarily a great question of world outlook. The successes on the production and accumulation fronts, which have further consolidated the stability of our economy, are grounded on the execution of those orders from Comrade Enver Hoxha.

But in this field there is no room for self-complacency and euphoria. Much still remains to be done to make known and thoroughly enforce the party's economic policy. We are building socialism with our own resources. The internal accumulation now fully insures the financing of the needs for expanded socialist reproduction. This is a great victory for the party's economic-financial policy, and it is for this objective that the party has long striven with a view to the future. But the situations through which we are passing require that we understand and enforce ever better the whole political policy of the party, keeping always in the center of attention the great Marxist-Leninist principle of self-reliance. For this purpose it is necessary for us to organize as many talks and confrontations as possible with the workers, and to intensify our ideopolitical work for a most thorough understanding of the party's economic policy and the requirements of the objective economic laws of socialism. We must make our economic-financial analyses thorough, simple and understandable for all, tying them to the execution of the tasks of every worker collective. Here, the managing cadres, the economists and the financiers in particular have great tasks, as more is required of them. Experience shows that when the tasks are properly evaluated from the political angle, and when the right lessons and conclusions are drawn from the weaknesses and shortcomings, the situation even in those enterprises which have been backward becomes sound and they have ranked along with the advanced enterprises. But how can we say that the problems are understood politically everywhere when even the 1979 plans include dozens of objects without the necessary technical-economic documentation, which in some cases have been obstacles to the prompt commencement of operations, thus creating difficulties for the builders as well. This is because there still exist the antiquated notion and mistaken practice expressed in the words: "let them once include the objects in the plan and we will then see to making out the documentation." In some cases the financial problems are not viewed and evaluated as they should be, in close conjunction with production, which the party has constantly criticized.

Organization of ideopolitical and organizational-technical work on a scientific basis, as shown by the experience of many worker collectives, will further stimulate the practical revolutionary spirit of the workers, make them more conscious and aware of the great tasks set in the present stage of development of the economy and raise to a higher degree the mobilization and optimism of the working masses at work.

Fulfillment of the economic-financial tasks is closely connected with a most thorough understanding of personal and collective responsibility at work. A revolutionary attitude toward work on the part of thousands and thousands of workers, the spirit of sacrifice and devotion, initiative and self-action in the performance of the tasks, refusal to compromise with shortcomings, and the great struggle to overcome difficulties are some of the features that the party has patiently bred into our workers. But it would be wrong to think that everything here is going as if oiled, without trouble or obstacles and without a consistent struggle against alien manifestations. Last year, certain farm enterprises created large shortages in production and accumulation, which had effects in many directions. But these shortages were not felt deeply by some workers and cadres, who think that our state is strong and can cope with these nonfulfillments without difficulty. Our socialist economy is a single organism that develops and becomes strong when every component part of it performs well and one by one the assigned functions and tasks. Non-fulfillment of the tasks, even by one cell of the economy, also creates difficulties and obstacles for the other cells with which it has relations and can thereupon affect the whole economy. In our socialist society, the workers are both producers and consumers of material goods. If they have not been produced, difficulties will be created in supplying the people. Therefore, Comrade Enver Hoxha teaches us, we must measure and evaluate our work as producers of material goods with the same concern and preoccupation with which we see ourselves as consumers. If the question were understood in this way, every person would work with strained nerves and would not leave the work front without fulfilling the assigned tasks to the last detail. The alarm would be given and anyone who would violate plan discipline would be held accountable.

Lack of responsibility at work is a reflex of the pressures of alien ideology. Therefore, this tendency must be viewed from the political-ideological angle. Every underestimation of it has negative consequences.

If we did not exercise a strong control in our economy and did not demand a strict accounting and full collective and personal responsibility in the use of manpower and the wage fund, the requirements of the law distribution according to the quantity and quality of work would be violated, and the way would be opened to alien bourgeois-revisionist manifestations. These are the reasons why the party has ordered us to strengthen discipline in the matters of labor and wages, not to allow lax handling of the wage fund, and to prevent in time cases of disregard for the prescribed relationships between increase in production, labor productivity and average pay; to wage a hard fight against the liberal attitudes held toward them in some cases by those enterprises which exceed the planned wage fund and do not excuse it by production or accumulation.

Thorough understanding of collective and personal responsibility at work demands more work and sweat from our cadres and specialists, more persistence and alertness in perceiving both positive tendencies, and weaknesses and shortcomings in time, in drawing conclusions and

generalizations from the experience and struggle of the working masses, and in defining the tasks correctly. In these respects, we have many examples and great experience, but, as the party teaches us, the assimilation of the art of managing the economy and thorough treatment of economic-financial problems demand still more and better organized work to fit and qualify the workers and cadres in all links of the economy. The shut-in office paper-work noted in the case of some cadres and specialists, the tendency to expect everything to be ready-made, the lack of a desire to study and know more, and to assimilate the new things in science and technology, or the notion that study ends with graduation from school are obstacles to the continuous ideoprofessional qualification of workers. As also shown by experience, the cadres who remain perpetual pupils throughout their work, without reading and without proper linkage with production, science, the economy and the working masses, cannot perform their tasks well and properly. We must measure the work of the cadres, directors and specialist and of all our workers--it was stressed at the Sixth Plenum of the Party Central Committee--by the concrete results in work and production, by the solution and treatment of problems, by economic-financial studies and analyses, by the fulfillment of the tasks in time and as to quantity, quality and all the other economic-financial indicators.

The linkage between production, consumption and accumulation is a fundamental question for the socialist economy. Definite relations and proportions must be established between these sides of socialist reproduction in the requirements of the objective economic laws of socialism, in the general line and economic policy of the party.

Maintenance of high rates of production, even under the conditions of fierce imperialist-revisionist blockade and encirclement, is an important task in insuring the development of the economy on the basis of the directives of the Seventh Party Congress. This matter is being understood ever better. The fact that higher rates of growth have been set for 1979 than for 1978 indicates the efforts and struggle of the working masses to overcome the obstacles and difficulties created on the road to the full construction of the socialist society in our country. But, as experience shows, we have great possibilities and reserves here, especially with regard to the fullest exploitation of the existing material-technical base of the economy, the perfection of labor and production organization, the growth in effectiveness of investments, and so forth.

The rapid growth in production in a good many branches of the economy, such as the machine industry, chemical fertilizers, plastics and other branches, indicates the great job being done in the practical application of the principle of self-reliance. But the matter of making better use of the material-technical base of the economy is not always viewed and evaluated properly everywhere from the political and ideological angles. In some enterprises there is still machinery that is not being used to its full capacity. There are also departments, production lines and other production capacities that are not working with a full load throughout the year. In a

good many farms too, the matter of making better use of the soil, the productive capacities of animal and plants, of machinery and other mechanisms is not viewed and evaluated with the care and concern ordered by the party.

As is also shown by advanced experience, great possibilities exist in the further improvement of technological processes, in the performance of reconstructions and adaptations, in the better organization of labor and cooperation between enterprises, in the specialization and concentration of agricultural and livestock production, the execution of which will insure a further growth in production and improvement in the economic-financial indicators.

The internal reserves are inexhaustible, since they are linked with the dynamic development of the economy itself, with the perfecting of the mode of production and with the continuous ideoprofessional qualification of the workers. It is important, as the party bids us, for us to ground these jobs on a sound scientific basis, making them problems for the party base organizations themselves, for all the worker collectives, the cadres, the innovators and the rationalizers. But this requires that the fight against the handicraft concepts and practices which still exist in some cadres and workers shall be carried on as effectively as possible, that we shall calculate well and see in detail to the utilization of machinery, departments and factories and of the other production capacities, and that we shall define correctly the ways to make better use of them, to effect the most advantageous reconstructions and adaptations, and to insure the greatest amount and the highest quality of material goods from every producing area.

Our party teaches us and practice shows that only by revolutionary judgment and thinking, by concrete actions and drives, can we overcome and resolve correctly the contradiction which we have between the existing material-technical base and the insufficient degree of its utilization. Therefore, when we examine, study and analyze the plan of each enterprise, each cooperative and each production unit, it is necessary for us to take a good look at how the requirements of the economic laws of socialism are being enforced in practice, in order that the rates of production growth may be higher than the rates of growth of the funds and the means of production, that those rates, both in planning and in execution, may be higher than the rate of growth of the population, and that an ever increasing production may be obtained from the funds invested in the economy.

To insure this turnabout required in the use of the material-technical base of the economy, it is necessary, as the Sixth Plenum of the Party Central Committee ordered, the party base organizations themselves take this matter well in hand, stimulate and generalize positive example and advanced experience and further deepen the studies, analyses, the technical-scientific revolution, and so forth.

Further rise in production and in construction and services is directly linked to the perfecting of labor and production organization. Here,

there are improvements, and the erection of giants such as the Celiku i Partise (Steel of the Party), Metallurgical Combine, the Drite e Partise (Light of the Party) hydro-plant, the Enver Hoxha tractor combine, the production of the first Albanian tractor, the insurance of bread in the country, and the erection of many other economic and social-cultural projects testify to the creative revolutionary work of the working masses. But neither can our attention fail to be attracted by a good many weaknesses and shortcomings that we still have in the socialist organization of labor.

In some enterprises and cooperatives, the tasks regarding the increase in labor productivity are not being fulfilled, and additions are requested to the manpower plan at a time when 15-20 percent of the workers are not fulfilling the work norms. Detrimental are also the cases where the production plan is fulfilled in a wrong relationship to the manpower plan, to labor productivity and the wage fund. These weaknesses cause the relationship fixed between the increase in production from an increase in labor productivity and from the increase in the work force to be destroyed in certain cells of the economy. Socialism, Lenin teaches us, is the economic order which insures a higher labor productivity than any other economic-social system. This is due both to the content and to the purpose of production. Therefore, the Sixth Plenum of the Party Central Committee stresses that the problems of increasing labor productivity, strengthening discipline at work and controlling the amount of work and compensation must be treated thoroughly by us, from the political, ideological and social angles, as important and fundamental problems of the party's economic policy, which in the end will further consolidate the victory of our socialist order over the imperialist-revisionist.

In practice, these great problems are not always correctly evaluated everywhere, and the necessary measures are not taken. For example, it is not sufficient for us to concern ourselves solely with evidencing cases where labor discipline is violated, where the norms are not realized, or where they are exceeded to the detriment of quality, as occurs in some enterprises and cooperatives; we must go deeply into the causes and consequences, holding confrontations and debates between the advanced workers and those who do not fulfill their tasks. These debates and confrontations have yielded results when concrete discussions have been held, when persuasive arguments have been put forth, pointing out that the nonfulfillment of the work norms, absences without a reason, the nonutilization of work time, and so forth, harm not only personal interests, since the worker will get less income, but also the interests of society, since it will not be given the planned production and accumulation.

Great reserves lie hidden in the mechanization of work processes, especially in construction, agriculture, transportation, mining, saw mills and land reclamation, where a large work force is engaged. At present, both the objective and the subjective factors have been created for further deepening the mechanization of work processes, which will contribute greatly to the growth of labor productivity. Here we have also routine,

manifestations of casualness, delays and lack of initiative, which--as shown by the experience of many enterprises--can be overcome by doing a more extensive ideopolitical job and taking organizational-technical measures.

The party base organizations and the administrations and directors of the economy have important tasks in analyzing and properly concretizing the party's directives in the area of labor productivity. But the growth in their role in this field requires that the labor problems be well known and continually watched on a sound scientific basis, and that the internal reserves be correctly estimated and no violation of labor discipline be allowed. The economists, the plan and production branches in the enterprises and cooperatives, and the state and economic organs as a whole can and must do more active work, entering into the essence of the phenomena and occurrences.

A good grasp of positive example, of advanced experience, is the principal key to advancing achievements in the technical norming of work, in total involvement of the work force during the whole eight hours, in improving material-technical supply and in strengthening proletarian discipline in work as a whole. Here too the main thing is for us to sound the alarm when we see that the tasks regarding the increase in labor productivity are not being fulfilled, when the wage fund is exceeded without fulfilling the tasks regarding increase in production, or when the average wage grows faster than the labor productivity, and to make this matter a question for all workers who, being aware and convinced of the consequences of these alien manifestations for the socialist economy, will determine the ways to avoid the shortcomings and will take concrete measures to correctly enforce the party's economic policy in this field.

In our economy there are definite relationships, proportions and linkages between production, manpower and labor productivity which stem from the requirements of the economic laws of socialism. Disregard of them has negative consequences for production and accumulation. Therefore, the Sixth Plenum of the Party Central Committee has dwelt particularly upon these problems, setting it as an objective that the tasks regarding labor productivity shall be fulfilled not only in totality, but for each department, brigade and worker. It is with this spirit of responsibility that we need to view the fulfillment of the tasks set by the 1979 plan.

The establishment of organic ties between investments and production is an indispensable condition for the increased effectiveness of investments. In planning, the growth of production from the existing production capacities and from the new projects put into operation are properly harmonized in general, and this work has undergone continual improvement. This is also due to the fact that measures have been taken from time to time to improve the relationship between productive and nonproductive investments, to concentrate construction, and to effect the operations, testings and acceptances of new works in the shortest possible time. A

number of the industrial and agricultural works and those in other sectors of the economy erected recently have further strengthened our economy. In spite of these achievements, the backwardness noted in some construction enterprises, the violations of the graphs and the delays in operations have had the effect that some industrial and agricultural works have not been put into operation within the appointed time. But the violations of discipline in making investments have serious consequences because the material and monetary funds are blocked, the effectiveness of the investments is reduced, and the economy is not given the production and accumulation within the appointed time.

These are the reasons the Sixth Plenum of the Party Central Committee has once more directed that greater attention than heretofore be paid to coordinating the work between the making of the investments and the increase in production, strictly enforcing the planned tasks, by finding and applying more practical forms of putting new projects into operation more quickly, and generalizing advanced experience to a better extent. Thus, the phase-by-phase inauguration of works has confirmed its superiority. Likewise, the further advancement of the rate of operations in erecting new projects, the rapid performance of tests with loading and experimentation, the shortening of the time taken by repairs by intensifying operations with two or three shifts, the most rapid performance of assimilating operations in the mines and so forth are problems which should be studied within the framework of the technical-scientific revolution so as to draw conclusions and derive tasks, since great reserves are concealed here. The point is that, under the conditions created, now more than ever we have to execute to the best of our ability the party's orders to build quickly, well and at low cost, so that the highest effectiveness may be attained with the investment funds.

The great quantitative and qualitative development of production is also connected with a better organized and controlled supervision of the relationship between production and consumption. The amount of production also determines the level of consumption, but the latter also exercises an active influence on production. In our country there is complete unity between production and consumption. Having as their purpose the ever better fulfillment of the needs of the economy and the masses, production and consumption have developed and are developing in the right proportion, whereas in the capitalist-revisionist countries, as a consequence of the operation of the economic laws characterizing the capitalist order, production is getting more and more deeply into insoluble contradictions with consumption: on the one hand, the poverty of the working masses is increasing because of the unrestrained rise in prices and the blocking of workers' wages; on the other hand, stocks are piling up above normal and material values are being wasted, all of which is accompanied by crises, unemployment and poverty.

Intensification of production in our economy has also brought problems requiring more thorough analysis and study on a scientific basis. We

emphasize this because there are cases in which, not only in execution, but even in planning, through lack of knowledge of the needs of the people and the economy, a full conformity between production and consumption is not being insured in time, quantity and quality. Thus, owing to inadequate appreciation of the linkage between production and consumption in some industrial enterprises there are undistributed products from 1978 and 1977; a complete conformity between production and distribution is not assured for some articles, and goods of poor quality which consumers do not like are being produced. Regardless of the fact that these are special cases, they must be viewed thoroughly with a political eye since producing and not selling means blocking material and monetary values and not creating the planned accumulation in time. The failure of these products to enter into economic circulation weakens the profitability of the economy and leaves the way open to abuses. Therefore, as the Sixth Plenum of the Party Central Committee directed, the problems of distribution of products and the execution of contracts must be evaluated more correctly and taken well in hand by the party organizations, and by the state and economic organs, and they must be viewed as important political and economic-social questions.

In these respects, great tasks are incumbent upon the commercial organs, which must not only know the requirements well, but must also act as roadblocks to prevent the admission to the market of any kind of goods of poor quality and over and beyond the needs, and should strengthen their ties with production so that everything may be produced in due time and according to the requirements of the working masses, so as to further strengthen the quality of production, especially goods for export, while demanding an accounting of anyone who violates plan discipline. It is important that the problems of conforming production with distribution be viewed in the dynamics of their development, that more analyses, studies and generalizations be made and that the economic-financial activity of the enterprise be evaluated not only with regard to the products which it has turned out, but also with regard to the proper distribution of the products by the producers to the consumers.

Of great importance is the analysis on a scientific basis of the relationship between production and accumulation. In our socialist economy the rate of growth of accumulation has been and is higher than that of the rate of growth in production, construction and circulation of goods, which expresses the effective management of production. In 1978 the revenue of the state budget increased more than 6 percent over 1977. In the first quarter of this year too, the economic-financial indicators were fulfilled well in general. But in spite of these achievements there are also problems requiring analysis, scrutiny and thorough economic-financial study, and better work in generalizing the great experience accumulated thus far.

Large reserves for increasing accumulation lie hidden especially in the reduction of production costs. This represents a broad area of action, in which economic-financial thinking can have a more active influence for

better administration in a strict spirit of saving big production expenses. The lowering of costs is an important indicator characterizing the effective development of the economy, the rise in the degree of its self-action, an important source for increasing production and socialist accumulation, a chief economic factor in perfecting the prices of industrial and agricultural products and consequently for further heightening and consolidating the relations between the working class and the cooperativist peasants.

It is a positive fact that every year an overwhelming majority of the enterprises exceed their cost-cutting tasks, giving the economy great savings. But there are also enterprises in which production expenditures are not observed. There are many cases where the objectives set are not attained by the expenditures made; cases of detriment to material values, big shortages in production, and so forth. These things show that the fight to reduce costs is not being carried on with the same intensity in all the cells of the economy. As a result, some enterprises have disproportions in the fulfillment of the economic-financial indicators; the production plan is fulfilled with more expenditures of live and mechanized [materializuar] labor than was anticipated; the rate of the increase in accumulation in some cases has in some cases been lower than the rate of increase in production; and so on. These are manifestations alien to our socialist economy which, if not combated, will have negative consequences for the increase in accumulation.

There are urgent problems particularly in increasing the effectiveness of expenditures in the farms. On some farms in the Mat, Diber, Shkoder and other districts, the expenditures made have not been properly accompanied by an increase in production and accumulation, so that the effectiveness and profitability of producing have been lowered. There are many problems in the administration of material reserves; the norms for the consumption of materials in a good many enterprises and cooperatives are not being followed up and analyzed operatively; there are delays and conservatism in switching over extensively to the establishment of technical norms in the expenditure of raw and other materials. A liberal attitude is often maintained toward cases of damage, misuse, shortages and losses; the culprits are not held responsible.

The question is to find concrete ways to lower costs, by watching over and carefully analyzing every kind of expenditure of live and mechanized [materializuar] labor. "This," as J. V. Stalin states, necessitates a radical improvement in the techniques of production, radical improvement in the organization of labor in the enterprise, radical improvement and simplification of the whole economic apparatus, as well as a resolute fight against bureaucracy in the economic apparatus. We call all these things socialist rationalization of production and administration of the economy" (J. V. Stalin, Vol 9, p 191).

Therefore, the party directives on perfecting the organization of production and deepening the technical-scientific revolution must be viewed in close

conjunction with the effects produced by them not only in increasing production and quality, but also in cutting costs, by putting a stop to cases of onesidedness in producing without taking a good look at and calculating the expenditures and the norm of accumulation.

The relation between production and accumulation is disturbed particularly by enterprises that end up with a loss. It is true that their number is constantly diminishing, but two opposite tendencies are still noted: some enterprises reduce the planned losses from year to year, which experience should be generalized; but some others, because of weaknesses in management, exceed the planned losses, or they change from profitable enterprises to losing ones, from givers to absorbers of socialist accumulation.

As also shown by experience, there are all the possibilities for eliminating the losses in those enterprises. But this requires study and analysis to discover the causes and adopt correct measures for the future. A good example in this respect is offered us by the Celiku i Partise Combine, where, thanks to the analyses made, resources were found to raise the 1979 accumulation above the tasks initially provided for. Such analyses in other enterprises as well will reveal the great possibilities and reserves which we have for the elimination of subsidies.

To further improve the relationship between production and accumulation, it is necessary for the directors of the enterprises and cooperatives, the economists, financiers and controllers, to concern themselves more with supervision and analysis of the plan tasks in all its qualitative indicators and enhance the role of the plan and finance branches in every link of the economy, thus insuring everywhere the unity of the economic problems with the financial ones, both in planning and during execution and the making of economic-financial analyses.

Thorough treatment of economic-financial problems on a scientific basis is important for insuring management of the economy according to the directives of the historic Seventh Party Congress and the later plenums of the Party Central Committee. Fundamental are a thorough understanding and an ever correct execution of the party's economic policy and of the requirements of the economic laws of socialism. The economy is developing and becoming stronger every day; the economic-financial problems are becoming more numerous and connected with a good many other internal and external factors. Therefore, we need to do a good job of applying the art of managing the economy and increasing the efficiency of labor, studies, analyses and controls in every one of its links and cells.

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ALBANIA

PROBLEMS IN SCIENTIFIC PLANNING OF ECONOMY DISCUSSED

Tirana RRUGE E PARTISE in Albanian May 79 pp 33-43

[Article by Besim Bardhoshi: "Two Important Problems for a Scientific Planning of the Economy"]

[Text] Perfection of the management and scientific planning of the economy has been and is being effected in keeping with the dynamic development of the economy, with the conditions created in each stage of our economic-social development, while consistently adhering to the Marxist-Leninist principles of management of the economy. This is the chief reason why our socialist planning has marched ahead and developed along the right path and has preserved its sound revolutionary spirit and proletarian class character. The main thing is that the planning of our people's economy is being permeated ever more widely and deeply by the party's proletarian policy; the problems of economic-social development are viewed in close conjunction with that policy, and serve its execution; and planning under the party's leadership has been taken better in hand by the workers themselves.

On the basis of the political and economic premises created in our country, all the conditions exist objectively for the maintenance of the correct proportions and for the insurance of rapid rates in the development of the productive forces and the perfecting of socialist relationships in production. But this depends largely upon the subjective factor, upon the exploitation of these conditions on the basis of a knowledge and thorough application of the principles, methods and criteria of the methodology of planning our socialist economy; and, on this basis, upon the care shown and the efforts made to draft a realistic and mobilizing plan, upon the organization of labor and the straining of forces to realize the entirety of the tasks provided for in the plans drafted in each cell and link of the economy.

On the basis of the tasks set by the party and the orders given by Comrade Enver Hoxha, especially in his speech to the Ninth Plenum of the Party Central Committee in 1976 and to the Polit-bureau of the Party Central Committee in September 1977, about strengthening the scientific character

of planning in keeping with the present stage of economic-social development, important measures have been taken, one of which is approval of the improved methodology of planning our socialist economy.

The improved methodology provides for concrete measures giving priority to plan indicators "in kind" [ne natyre = French en nature], to acquaintance with and fulfillment of the consumer's needs in concrete values, putting a stop to the manifestations of "globalism" right in the planning process. A high evaluation is made of financial indicators coordinated with the other plan indicators, thus creating an organic unity between the financial and the economic side of production. An important place is likewise assigned to a wider use, on a qualitative level, of the methods and methodology of planning in their entirety in each link of the economy, beginning with the department, enterprise and branch and reaching to the scale of the people's economy as a whole. In particular, great importance is attached to the use of the advanced average and the generalization of advanced experience as a weighty criterion in drafting plans on a scientific basis. Within the framework of the development and deepening of the technical-scientific revolution and the increase in the efficiency of production, an important place is given for the first time in planning methodology to plan indicators of the development and application of new technology and scientific-research work. "In the new methodology," declares Comrade Enver Hoxha, "there have been some improvements and necessary additions dictated by the times, as well as those which help to put a stop to certain voluntaristic and subjectivistic manifestations and actions, manifestations of casualness and onesidedness, "globalistic" methods in the management of the economy."

This is why the tasks set by the party concerning acquaintance with and application of the methodology of planning have a deep meaning and great theoretical and practical value: without being well acquainted with and applying with precision its principles, criteria and methods one cannot draft a scientific plan correctly incorporating the party's economic policy. "But the main thing here," emphasizes Comrade Enver Hoxha, "is that the methodology of planning shall be applied as correctly as possible, since nowadays one notes not a few cases of inadequate familiarity, superficial understanding and erroneous applications of the matters which it contains."

1. Knowledge of the Needs and of the Possibilities for Fulfilling them--
an Important Requirement for Scientific Planning.

The scientific basis of planning our socialist economy is a grounding on the requirements of the objective economic laws of socialism, primarily on those of the fundamental economic law of socialism and the law of the planned and proportional development of the economy. Hence, scientific planning necessitates a correct determination of the needs of the economy, defense and the people in accordance with the possibilities created for their fulfillment in every phase of the country's economic-social development. This problem is becoming more and more urgent since in the present stage of intensive development of the economy every action that

has not been well studied can cause great damage. Therefore, as Comrade Enver Hoxha teaches us, the needs must be recognized and defined not only as a whole, but also in structure and kinds: they must not be fulfilled no matter how or just "globally," but in the required amounts and according to the order of necessity of their fulfillment.

Execution of this order from Comrade Enver Hoxha, which forms the main basis for scientific planning, demands a better organization than heretofore of the study to learn the needs in their entire breadth, both according to the traditions and according to the age groups.

The party has put the stress on this area because in practice the failure to study the needs well has resulted in cases where plans not adequately grounded on a sound scientific basis are sometimes drafted. Here too the primary obstacle is the erroneous concepts and narrow practicality of certain cadres who plan principally on the basis of empirical knowledge. Not infrequently one encounters the notion that the needs should be determined by the producers alone, by those who draft the production plan, or solely by the consumers. Such a notion has led in some cases to an overrun of the time limits prescribed in the planning methodology for anticipating the needs, and to insufficient coordination of the work of the producers with that of the consumers. For example, during the drafting of the 1979 plan both the Albinpeks and the Agroeksport submitted requests and orders for a good many articles of export to the producing enterprises during the months of January and February of 1979, which resulted in difficulties in the precise planning of production. The same thing often happens with the requests submitted by the consumer organs for textiles, readymade clothing, furniture, household equipment, shoes, and so forth.

These shortcomings noted in practice indeed become obstacles to the strengthening of the scientific character of planning. An exact study of the needs is not always well done because this demands more work and coordination, more calculation and study, more in the way of racking one's brains and familiarizing oneself with the situation. But to do this one has also to create the conviction that it is necessary to do these things, for only so can a stop be put to non-conformities in planning and execution, to cases in which we have some products and goods over and above the needs while the needs for certain others are unfulfilled.

The concept of "globalism" as a manifestation alien to the socialist economy has been attacked more in the execution of the plans, but it also shows up in the practical work of drafting the plans, in defining the requirements and presenting them "globally." But this has the result that production, material-technical supply, manpower, labor productivity and so forth are also planned "globally." Thus, the consuming organs in a good many cases continue to present to the producing organs requests for stuffs, cloth and ready-made clothing entirely without specifying them by assortment and kind, thus failing to apply one of the criteria prescribed in the planning methodology. Similarly, the requests for the plants of the machine industry,

for example those for spare parts, machinery and so forth are made in general, by value, without breaking them down and without specifying them in kind, by concrete types. The most pronounced manifestation of "globalism" in a good many enterprises may be seen in the planning of labor productivity, which in a good many cases is done according to the factors which insure the growth of labor productivity prescribed in the planning methodology of our socialist economy. As a consequence, manpower is also not planned in a precise manner, and the manpower requirements are not argued on a scientific basis, so that the way is left open for manpower planning with reserves. These negative tendencies occur mainly not because the methodology of planning is not known, but because the routine method of work, the overestimation of the "global" indicators still continues, and no priority is given to the indicators in kind [ne natyre = French en nature]. The obstacle here is the tendency to take it easy, not to start any trouble, since it is easier to plan "globally" and by value than in kind, specified for each item in the plan.

Exact determination of the needs and coordination of them with the possibilities of fulfillment demand, on the basis of the criteria prescribed in the planning methodology, that the planning methods be broadened and perfected, particularly the balancing and norming methods. This is a problem that has been forcefully raised by the party, especially in the last few years. As a result of the work done to carry out the party's orders, and of the successive measures that have been taken to adjust production to consumption, to eliminate norm overruns and stockpiles, and to discipline supply and distribution, forward strides have been made and a good job of drafting the balances is being done. This has led to the establishment of correct proportions and a better recording and more efficient use of the internal resources, strongly grounded on our own forces. But the use of these methods is not uniform in the economic enterprises and farm cooperatives. As a result, the coordination and consequently also the planning has not been everywhere on the required level. Among other things, one drawback has been the notion that the requirements can be coordinated, plans drafted and proportions established even without balances, solely on the basis of certain achievements in former years and the experience gained. But the main problem in using the balancing method, apart from broadening it, remains the elevation of the qualitative level of the balances, since in some cases they are drafted by defining the indicators in a "global" and empirical matter, without using the scientific methods and advanced norms both in the area of labor expenditure and in the use of raw and other materials.

Practice confirms that the scientific level of planning cannot be raised and the optimum proportions insured within the framework of the entire branch and the people's economy as a whole without concentrating attention primarily on the enterprise, without fixing proportions in each unit of production.

This is because the enterprise is the basic unit of management and planning, in which the ties are established and the process of expanded socialist

reproduction is effected. It is precisely in the enterprise, as Comrade Enver Hoxha emphasizes, that the fate of the party's economic policy is decided. Therefore, underestimation and lack of balances with a high qualitative level in individual enterprises weaken the scientific character of planning as a whole.

Raising the qualitative level of the balances is also connected, as is known, with raising the qualitative level of the method of norming, since without scientific norms, as Comrade Enver Hoxha emphasizes, we cannot have scientific balance-sheets. In practice one also notes narrow understandings, which are an obstacle to the wide-scale use of the norming method. Thus, as a consequence of narrow understanding, measures for using the norming method are evaluated and adopted in practice principally in the planning of work, whereas the use of the norming method in the planning of materials lags behind: the norming of materials is not only done to a lesser extent than the norming of work, but the qualitative level is also lower. This has also been due to the fact that the hammer has struck and more has been demanded in the fixing and supervision of the work norms, and less in the case of materials.

Backwardness in the area of the norming of materials may also be seen in the fact that the norms for the expenditure of materials are not unified: there are different norms between enterprises having the same conditions. For example, the norms for the consumption of cloth to produce readymade clothing, of lumber to produce furniture and household effects, for consumption of metals in the machine industry, of coal to produce steam, and so forth, vary in different enterprises and districts, in some cases even within a district. In particular, the problem of unifying the norms is rather urgent in the food industry, especially in the use of sugar to produce preserves, compots, candies, and so forth. To see what great reserves exist in this area it suffices for us to take the case of the consumption of coal and solar oil to produce steam. If the thermoelectric stations in Maliq and Vlore were to use the norms used in the Korce thermoelectric plant the economy would be saved about 38,000 tons of coal a year. Similarly, if the norms used by the lime plant in Korce were also used in the lime plants in Tirana and Kuvaje, the economy would be saved over 2,500 tons of solar oil a year.

Another important problem in the field of material norming which is not being correctly appreciated is the exact recording of the materials, without which no scientific analyses can be made or technical norms established. In practice, there are cases where not only do full statistics not exist, but those which are kept are not exploited for analyses to draw conclusions, but chiefly to respond to the requests made by the government departments, or when the party committees ask for some figure or other. This kind of evaluation and observation of the statistical data have had the result that in some cases the analyses of work are made in a "global" manner, so that the workers are not properly informed about the whole complex of the plan indicators, and inadequate conclusions are drawn for the drafting of the future plan.

2. Planning is a Continuing Process Inseparable from Analysis and Study.

The methodology of planning our socialist economy stresses among other things the fact that, independently of the time limits set by that methodology, the planning process is a continuing one. Application of the principle of continuity in planning requires that the planning process shall not be isolated in any case from the process of realization and study. This organic link assumes special importance particularly in the present stage of intensive development of the economy. But in practice the party's order to us to plan and realize every day is not thoroughly understood and carried out as it should be: namely, that the future plan must positively be preceded by comprehensive and integrated studies, since there is no planning without study. This is a deficiency which has its origin in the mistaken notion that the drafting of the plan is a simple job, and that it can be drafted in a short time, beginning with the expectable realization and certain general data, which often are not the fruit of studies and analyses.

There also exists the notion that the worries of the day leave no time to engage in study, that is, the big daily load of work with figures, the unexpected jobs and demands that arise, and so forth, thus isolating the process of realization from that of planning and studying. Actually, problems of this nature exist everywhere, but that does not justify at all the failure to practice continuity in planning, since the true causes lie in the method and style of work of the managing apparatuses and cadres, as well as in the notion entertained by some cadres that in planning one can get along with empirical forms, without applying the scientific criteria prescribed in the planning methodology. In the method of work of the state and economic organs at the base and in the center a proper relationship is not always established between the efforts to solve current problems and those of the prospective future, between operative problems and problems of study. The result has been that in the managing process some cadres devote more of their work time to operative problems, the worries of the day, which implicate them in a routine, involve them in a large volume of work and pin them down to the solution of problems of the moment, while neglecting analyses and studies concerning the problems that disturb production, which would open the way to prospective development for it to the best possible extent.

The emphasis in planning methodology on the fact that the plan for scientific-research work is a component part of a single state plan for the economy, and the demand for drafting that plan in every economic cell is a step forward and an important support for prefacing the plan with research in order to insure continuity in planning. But there are also shortcomings in drafting and executing research. Thus, some enterprises provide in their plans for developing the technical-scientific revolution that they are to study mainly problems of a technical character, and very little or not at all in the way of those of an economic character; or else a certain isolation is noted in the scientific studies between the technical and the economic side. This is due not only to a narrow notion and conception

of the technical-scientific revolution, contending that it has to do solely with the technical side of production, but also to the difficulties presented by economic studies, which often produce "troubles" too, requiring that a number of organizational measures also be taken and improvements also be made in the management of the economy, and in the style and method of work of the economic and state organs, the cadres and the specialists.

One is struck by the fact that in this very important problem the party base organizations do not stop to take a good look at how things are understood and being planned in conformity with the principles, criteria and methods contained in the planning methodology, and how the party's orientations and directives in the field of planning are being executed. For example, we have been given the orientation to plan on the basis of the advanced average. Without denying the steps taken earlier, especially in drafting the 1979 plan, there is not only still hesitation in using the advanced [or: progressive] average, but also shortcomings and weaknesses in carrying out that orientation. Cases are noted in which the advanced average, which is the basic criterion prescribed in the planning methodology on drafting scientific plans. It is not understood and treated in its entire breadth, as an achievement that has been insured by all-around ideopolitical and scientific, organizational and technical work, but merely as a mathematical operation, in which all the enterprises and cooperatives that have similar conditions are to plan on the basis of the advanced average, without planning on the same scale the factors which have led to those achievements.

It is natural that planning on the basis of the advanced average should also cause a good many problems requiring solution. For example, in some instances they are reluctant to apply the advanced average in the field of planning the work indicators for fear of creating some difficulty or other in accommodating the workers who are laid off, instead of using their heads and taking measures to open up new work fronts. Similarly in the field of planning raw and other materials, the advanced norms are still not being applied because there still exists the erroneous idea and practice of planning "just to keep on the inside." Another obstacle here is the lack of an exact record of the norms for the consumption of materials, as a basis for fixing the advanced average.

A larger role than heretofore in solving these problems properly can and should be played by the economists, who have increased not only in number, but also in quality, and have gained more knowledge and great experience from the practice of socialist construction in our country.

Like the other specialists, the economists, bearing in mind the party's orientations and grounded on the opinions of workers and cooperativists, have played and are playing an important role in studying and discovering internal reserves and materializing them in the plans for economic-social development, in strengthening the savings regime and in increasing socialist accumulation. Everywhere, in every link of management of the economy, they feel the role of the economists, who, having their theoretical training

and an ever better knowledge of the practice of socialist construction, have increased their efforts to enhance their role in keeping with the growing demands of the times. But the demands upon the economists have also greatly increased now that the problem of discovering and making the most rational use of human, material and financial resources, of increasing production efficiency by computing and reflecting in the plan the most advantageous variants, is becoming an urgent one.

In order for the economists to respond as well as possible to the tasks set by the party in conformity with the conditions created, with the many often complex problems disturbing the economy and production, there needs first of all to be a change in the conception of the role of the economist. The role and task of the economist do not consist simply in recording figures, as it is conceived by some managers of enterprises. This is an elementary duty of the economist, having an importance of its own. But the bad thing is that a good many of the directors in the enterprises content themselves with recording and arranging figures, and it is sometimes on this basis that the work of the economist is evaluated. But the economist himself also contents himself with these achievements in a good many cases because nothing more is demanded of him by the director, and in the absence of initiative and persistent struggle on his part. The main thing is that the economist, on the basis of the data, the records and the observations, should make groupings, elaborations and analyses, discover and draw conclusions and, on this basis, point out ways to improve the work. "A true economist," declared Lenin, "instead of concerning himself with idle theses, will gird himself to study the facts, the figures, the data, will analyze our practical experience and will say: 'this is the mistake and should be corrected in this way.'" (V. L. Lenin, Works, Vol 32, pp 155-156). But in practice they do not work with pencil in hand at all times in every economic enterprise or farm cooperative to make analyses and draw conclusions from each figure. This is due principally to routine, to the demands of the directors upon the economists and of the economists upon themselves. But it is also due to a lack of thorough knowledge of the economic problems, of the methodology of planning itself in accordance with the growing demands of the times; to the failure to pursue and thoroughly analyze the economic problems that trouble the enterprise, cooperative, sector, department and so forth.

It is known that economic studies are difficult for the reason that, as Marx emphasizes, "neither the microscope nor chemical reagents can be used in analyzing economic phenomena. Both have to be replaced by the force of abstraction." (K. Marx, "Capital," Vol I, Book I, pl 16). But, regardless of the difficulties presented by economic studies, and by the contradictions that may arise during their execution, they need to be made in order that the planned development of production may take place on the most scientific basis possible. Precisely because the study of economic phenomena is difficult, special care must be shown, by using all the known ways and methods and correctly coordinating the forces of the economists with those of the other specialists. The main thing for an increase in the

effectiveness of studies is that every link of the economy should engage in studies on those problems which disturb production, on the key problems, upon whose solution depends the fulfillment of the present and prospective plan tasks. Our life and our whole economic-social development have a dynamic character, and precisely "this development," declares Comrade Enver Hoxha, "brings new problems and creates contradictions that have to be solved correctly and in due time. Hence, the economy cannot be managed with the same methods, in the same style and with the same amount of knowledge that were perhaps sufficient many years ago. It is precisely for this reason that it is necessary to further intensify studies and analyzing and generalizing work." (Enver Hoxha, Report and Speeches 1979-1971, pp 429-430).

To strengthen the scientific character of planning, it is necessary to begin the study and analysis of economic problems in the basic cell of management, in the enterprise, right from the department (repart), which forms the principal unit in which the production process takes place, in which are the people who draft and execute the plan tasks daily: it is here that the problems and difficulties arise and ways to overcome them are found. Therefore, in order to make generalizations on an enterprise-wide scale, to increase production efficiency, it is necessary to show great care in strengthening the organization and management of labor in the department. Regardless of the results obtained, the level of management and planning in the department in a good many enterprises is still relatively low. The analyses and generalizations regarding the economic-financial problems in a good many departments are either not made, or are made "globally," without going deeply into the problems disturbing production. In general there is a tendency in the departments of enterprises toward a "technical" and "administrative" management, the organizational, especially the economic management limps along, and the economic problems are little known and are not properly evaluated by the cadres, especially by the directors of the departments (reparte). Owing to overestimation of the technical side, a wrong notion has been created that the responsible chief of a department must necessarily be an engineer or technician. But, if we proceed from the fact that the work on scientific planning begins with the basic unit of the planned management of the enterprise, with the department, then we can and should have more economists as responsible department heads, who would give a forward push to economic management, while the technical management can be exercised much better by the production foremen, who in fact perform this function in a good many departments.

3. Planning Problems are a Matter for All Workers, and a Principal Work Front for the Party Organizations.

Socialist planning, Comrade Enver Hoxha bids us, does not consist solely of methodology and methods. These are absolutely indispensable. But it must be viewed more broadly, in conjunction with the whole economic policy of the party, with a knowledge of the laws and the economic categories and with their application in the practice of drafting and executing the plans in each link of management of the economy.

"Methodology and methods," declares Comrade Enver Hoxha, "would become spiritless things without this complex of most fundamental questions, without the socialist content of norms, laws and other economic categories." Viewing and treating social planning in this complex of questions not only insures the possibility of drafting plans grounded on a scientific basis, but also insures their realization in all the indicators and in every link.

The knowledge, planning and efficient use of the human, material and financial resources is directly linked with the application of the principle of self-reliance. At all times, but especially now, special attention is demanded by thorough understanding and application of the principle of self-reliance in every cell and link of the economy, by every collective and every individual at his own work front in performing the plan tasks and the pledges made. Many of the alien manifestations noted, such as that of inflated demands, the retention of reserves, planning other than on the basis of the advanced average, and so forth, bespeak precisely a shallow understanding and an incomplete application of this principle in planning.

Understanding and application of the principle of self-reliance is complete, as directed by the party, when every collective and individual fulfills and exceeds the tasks assigned to it or him, without asking for supplementary means from the state, and when the requirements of that principle are borne in mind in every field of economic-social activity. But in the practice of planning, and in carrying out the plans, erroneous tendencies are noted in some enterprises, such as the loose-handed provision for expenditures, investments and wage funds, the retention of reserves to increase production and labor productivity. Such actions embody the danger of destroying the proportions.

This is why it is necessary for the party base organizations to penetrate deeply into problems relating to the plan and the economy, in order to learn, analyze and solve them in conformity with the party's orientations and directives. Practice confirms that the leading role of the party base organization in the planning process is successfully achieved, among other things, when the plan for each figure and item, for each indicator is drafted, approved and executed under its direction and care, and when the plan and the results of its realization are compared on the spot with the party's directives, with its decisions and orientations.

Life shows that the party organizations are doing an ever better job of guiding the problems of planning and realizing the plan indicators. But alongside of positive experience one also notes shortcomings and weaknesses. Not all communists have a clear understanding of the plan and the pursuit of its realization. As a result, planning problems have in some cases been left in the hands of the specialists, mainly the economists, the planning branch and the administration of the enterprise. Owing to a narrow conception of these great problems, not only of an economic, but also of a political, ideological and organizational character, cases also occur in which the party base organizations do not always follow up the

plan indicators in a continual manner and, on this basis, bring out the causes and adopt measures to realize the plan indicators in their entirety.

The Sixth Plenum of the Party Central Committee dwelt particularly upon the principal task arising in the fulfillment of the plan in all indicators, both in volume of production and in assortment, quality, profitability, cost, and so forth. Violation of these indicators, even in individual enterprises, cannot fail to have negative consequences in the other enterprises connected with the enterprise in which the plan discipline has been violated. These things are known and have been continually emphasized by the party organs and the directorates in the enterprise, and so there are failures to perform the tasks in some enterprises and sectors of the economy. These shortcomings also have their origin in the practice of the party organizations and the state and economic organs whereby the tasks relating to realization of the plan are followed up "in the global," with jumps and in a general manner, and analyses for each unit of work and production are lacking, starting with the brigade, the sector and the department. Chasing after realization of the tasks in general has been a cause of covering up the shortcomings of production organization and management in some cases.

In practice there are also the erroneous notion and practice that only the workers in the planning branch concern themselves with following up the realization of the plan, so that when cases of failure to realize the production plan are noted because of defects in machinery, the irregular supply of raw and other materials and for other reasons, an accounting is sometimes demanded chiefly of the workers of the planning branch. It is true that the workers of this branch have special tasks in this field, but the matter of the plan and its realization is a matter for everybody: everyone answers for the parts and the indicators in the sector which he covers. Therefore, in enforcing plan discipline all are responsible according to the tasks set. But this requires that attention be shifted as close as possible to production, since the department (repart) is a basic unit of management and planning, from which the work of strengthening the scientific character of planning proceeds, and it is logical that the struggle to realize it should also begin with the department, this being considered as the basic unit of planning and of realization of the plan in the enterprise.

Enforcement of the directives of the Seventh Party Congress to strengthen the scientific character of planning and to eliminate the shortcomings and gaps in the drafting and execution of the plans necessitates, as the party bids us, that every communist, cadre and worker shall know and bear in mind the requirements of the objective economic laws of socialism, and the criteria and principles of socialist planning. The correct application of planning methodology assumes special importance within this framework.

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DODE STRESSES NEED FOR IMPROVED ECONOMIC PLANNING

Tirana ZERI I POPULLIT in Albanian 20 Jul 79 pp 1, 3

[Editorial article by Petro Dode, chairman of the State Planning Commission: "Let Us Reflect the Economic Laws of Socialism and the Party's Policy in the Draft Plan in the Best Way Possible and Let Us Properly Implement the Methodology of Planning"; passages between slantlines printed in boldface]

[Text] The scientific and class character of our socialist planning has been further strengthened under the continuous solicitude of the party, especially, on the basis of the tasks assigned by the seventh party congress and Comrade Enver's teaching.

The methodology of the planning of the socialist economy of the People's Socialist Republic of Albania has played and is playing an important role in the work for the drawing up of plans, reflecting the party's tasks and Comrade Enver's teachings for the perfection of planning and the experience of the recent years gained in this field. Now that we are working on drawing up the draft plan for 1980, the last year of the Sixth Five-Year Plan, the deeper knowledge and complete implementation of this document by everyone is a first hand matter in order to draw up studied and documented plans. Working on this issue, our attention and concern must be reinforced in several directions.

1. /The work for the knowing, study and execution of the objective and economic laws of socialism and of the general line and economic policy of the party--a basic and permanent matter for perfecting the socialist planning of the economy./

The planned management of our economy has had and always has a deep political and ideological character. The party has continuously struggled and has placed the economic laws of socialism and its line and economic policy at the basis of the planning and management.

However, at the present stage of economic development, the further perfection of planning is an important task connected with the need to further increase efforts for knowing and executing economic laws and directives of the party.

/The most consistent implementation of the principle of self-reliance by every link, constituting one of the most important aspects of the understanding and execution of the party's economic policy, assumes a particular importance for the development of our socialist economy in the present conditions./

Last year, under the party's leadership, correctly understanding and implementing this principle, and closely connected with the situations, the working class discovered new reserves and drafted a new plan for 1979 completely based on our human, material and financial resources. This great success of the economic policy and line of our party and the results which we are achieving in fulfilling the 1979 tasks are another outstanding proof of the superiority of the planned development of our socialist economy over the capitalist and bourgeois-revisionist economy and is a new challenge to the savage imperialist-revisionist blockade; the Chinese revisionists, too, aligned themselves with this blockade through their open hostile and sabotaging activity, unilaterally breaking off all economic relations with our country.

However, in the work for the drafting and executing of plans there is place for an even broader, deeper and more complete understanding of the tasks stemming from the principle of relying on our own forces so that we might further extend the rich experience of 1979 so that in 1980 we will achieve the main objectives of the Sixth Five-Year Plan.

The issue is just as Comrade Enver teaches us that "...under the conditions of the worsening of the class struggle in the domestic and international aspect...it is imperative that the basic guideline of relying on one's own forces recommended by our party be further taken into consideration in principle and in practice. The struggle for the intensive development of the economy, for increased accumulation and for the development of expanded socialist reproduction, for increasing national revenues and for saving in all directions are precisely connected with the implementation of this fundamental guideline."

By properly utilizing all the moral and political and economic and social factors existing in our country, specific tasks are presented for the development of industry at rapid rates. In this framework, priority is given to planning and solving in the best way possible the problems concerning the development of the energy, petroleum, and coal industries and so forth. The problems of the discovery of new mineral-rich areas, the most favorable exploitation of existing mining sites and the utilization, with a strict regime of saving, of motor fuel, fuel and liquid fuel by all users--must be solved with greater concern and effectiveness. Also, important tasks are assigned for increasing production of electric energy, especially, by the hydroelectric power stations, and for its economical use.

Problems requiring a better solution are also assigned to the working collectives of the mining industry for increasing production and for better

using the production capacities of coal, chromium and copper mines and so forth, by planning and implementing qualitative indicators that reduce the noticeable losses which we have in the mineral ores or reduce the percentage of their impoverishment and so forth, and which are linked with the execution of new and more advanced production methods.

Many important projects, of specific importance for our economy, have been put into operation in the recent years, such as "the Steel of the Party" metallurgical plant, the sodium plant and the polyvinyl chloride plant in Vlore, the ferrochromium plant in Burrel, the paper factory in Lezhe and so forth. The complete assimilation of their producing capacities, struggling to overcome the technical and technological difficulties created because of the hostile and sabotaging activities of the Chinese revisionists, as well as some shortcomings in the organization and management of production, are important tasks for the relevant working collectives.

The tasks for utilizing the machine industry and for improving the latter's role in increasing the production of spare parts, as well as the tasks for planning and producing, with our own forces, machinery and equipment for lines and complete works or for other needs of the economy and culture--all are acute tasks today. These tasks require that during the drafting of the plan concern be given to the better utilization of production capacities--a field in which there are still many problems with regard to the implementation of the guidelines given by the party. Also, it is required that cooperation between the large, medium and small machine enterprises, bases and workshops be further extended, combating certain local and departmental tendencies which continue to be obstacles in this field. Great tasks are also assigned for a better and more complete utilization of production capacities in other branches of industry, such as the construction materials industry, light industry and the food industry and so forth.

The stipulation of tasks in agriculture in order to satisfy the country's needs for grains in continuity and to increase the production of sugar beets, cotton, oil crops and so forth, are the main problems where attention must be concentrated in regard to the drafting of the 1980 plan. They must be achieved through the planning and most rational utilization of labor resources and of the material and technical base at the disposal of agricultural units in order, in all conditions, to provide the greatest utilization of the fertility of the land and to provide the frontal increase of agricultural and livestock products so as to better satisfy the needs of the people and of the economy.

Under the conditions in which we assign the task for the development of the economy, completely based on our own forces, the party organizations and forums must direct the concern and attention of the state and economic organs more and more to increasing export by every enterprise, cooperative, district and economic branch, with a larger range of products and with the highest quality possible. It is essential that everyone understands, not only in principle, but also in practice, that "there is no export

without import." While reflecting in the plan the maximal reserves and opportunities which we have for stimulating export, it is also required that production on the spot of many raw materials, spare parts, machinery, equipment and other articles--which we continue to import--be strongly encouraged.

The most correct solution of these problems and of other problems that arise from the implementation of the principle of relying on one's own forces is also connected with the execution of the requirements of methodology and of methods for the planning of parts and indicators of the plan, in order to reflect, in the best way possible, the reserves and resources which our economy possesses and creates in the process of its dynamic development.

/It is necessary to devote particular concern to the most correct planned setting of ratios so as to assure rapid rates of increasing the social product and improving its effectiveness./

The analysis of the achievements of the 1978 plan and of the 3 years 1976-1978 made by the Sixth Plenum of the party Central Committee, as well as the studies made at the level of the whole economy, in specific branches of the economy and in some districts, have extracted very important tasks connected with the keeping, implementing and improving of ratios of extended socialist reproduction.

They must be solved in a better way and according to the plan in enterprises and cooperatives, because it is there that rates, ratios and the improvement of effectiveness of the social product at the level of the entire economy--have their origin. Also, there is room for the further improvement of work with regard to the study and planning of ratios at the level of the district, branch and the entire economy.

In this connection, important tasks fall on the planning and finance organs, the planning and finance branches in enterprises and cooperatives, the planning and finance sections in districts, the directorates of planning and finance in the ministries, the Ministry of Finance and the State Planning Commission. Through extended studies and analyses, their role and influences must be further strengthened so that the rates and ratios between the various aspects of production and the other indicators of the economic and financial plan be the most correct reflection possible of the requirements of the economic laws and of the economic policy of the party.

Some incorrect concepts and attitudes of certain cadres and economic organs in regard to qualitative indices and to the value of the plan must be fought by the party organizations. On many occasions, their underestimation has negative consequences for the proportional development of the economy.

The state and economic organs have the task of dealing more thoroughly with the ratios between the increase of social product, on the one hand, and the

product for oneself and for society, on the other hand. We must fight to nip in the bud those cases which, during the drawing-up of the draft plan and during the implementation of the plan in some enterprises and cooperatives and in some districts and economic branches, are seen as increasing production expenditures at more rapid rates than production itself, as well as increasing production for oneself more rapidly than the production for society.

The best harmonization between ratios requires study and the finding of ways and opportunities for increasing social and individual labor productivity in all enterprises, cooperatives, districts and economic branches at more rapid rates than hitherto, as well as for setting-up and keeping the most correct ratios between the increase of production, output, wage fund and average salary. Cases, when additional production by some enterprises or cooperatives is totally in mostly provided by increasing the number of workers, must not be allowed any more.

Therefore, it is necessary to work better for improving the level of technical equipment of work and of production, especially, where the level of mechanization is still low, such as in some mining enterprises, in certain work processes in the construction sector, in some food enterprises, in many work processes in agriculture and so forth.

Along with this, it is necessary to work in a concrete manner for removing the gap existing between the relatively high level of technical equipment of some economic branches and the relatively lower level of work norming and, especially, of technical norming, as well as for solving other problems dealing with the socialist organization of labor problems which become obstacles to the intensive utilization of production capacities.

In order to give priority to the increase of social product and to its utilization with the greatest effectiveness possible, important tasks are also assigned for strengthening the regime of saving, especially, for improving the level of planning connected with material expenditure. The plan tasks, the cost and so forth must influence in a stronger manner the execution of the measures for improving the level of the useful utilization of raw materials, materials, steel, timber and combustible materials, fuel, electric energy and so forth, where reserves are still large. With regard to the treatment and utilization of coal, as a result of shortcomings, weaknesses and incomplete measures that have been taken, from its mining and transportation and down to its burning, there is a noticeable loss of calorific power which, in some cases, is up to 30-40 percent. The elimination of these losses is an important subject for the discussion and drafting of the 1980 plan.

Reserves such as those which must be used for the benefit of the economy but which, by all means, must also be planned, also exist in other directions, for example, in the utilization of raw materials, materials, spare parts and so forth.

/The implementation of advanced experience everywhere in regard to all these matters assumes a particular significance and importance under the present conditions./ The great reserves contained in advanced experience must be better used by the working collectives so as to increase production and improve its effectiveness.

Concerning advanced experience, attention must be devoted especially to the calculation of advanced averages for the indicators of the exploitation of production capacities, work norms and consumption of materials, as well as to financial indicators, where a complete job is not yet being done. At the same time, the ministries and executive committees of the district people's councils must carry out better work so as to direct the generalization of advanced experience in a planned manner, as well as to fight tendencies to treat it in a mechanical manner, as observed in many cases. The reflection of advanced experience in the indicators of the plan is one aspect. The role of planning should be strengthened in the direction of the study of the factors that have provided advanced achievements and of the determining of the tasks and measures that should be carried out so as to implement it.

2. /The best work organization with regard to planning and executing the plan for the indicators in kind--a necessity for the perfection of the planning and management of the economy./

In our socialist economy the indicators of production in kind have priority in the drafting and fulfilling of plans. This fact stems from the purpose of production in socialism which is led by the best fulfillment possible of the needs of society for consumer values.

In the past years, the state and economic organs have improved the drafting and execution of indicators in kind for the plan. Nevertheless, the conclusions drawn from the practice of the planning and implementation of plans give rise to problem which are connected with the further strengthening of the struggle against the concepts and methods of globalism, of one-sidedness and of routine and empiric work which still occur in the activity of some state and economic organs and which lead them into an unstudied work especially, in relation to the planning and production of those articles and assortments which have "small value" and "do not make much difference" in the overall plan fulfillment.

Important tasks are assigned to domestic trade organs; they must extend their studies in regard to the needs of the people for goods, in a structure, assortment, quality and so forth in accordance with the purchasing power established according to districts, areas, cities and villages. This task is still not being fulfilled as it should be during the drawing-up of the 1980 plan; this fact has caused variations in some of the demands that are made, not only from year to year, but also within one year, during the stages of the drafting of the plan, beginning with the preliminary demands and down to the final signing of contracts, thus, on some occasions, creating shortages in the market.

Also, foreign trade organs must have better knowledge of the demands of foreign markets in order to direct production on time and not to become obstacles to the determining of the tasks of the production in kind for consumer goods.

Practice proves that, besides the non-fulfillment of the plan according to quantity, assortment and quality by some production enterprises, whose activities are reflected in the poor fulfillment of the needs of the people and in matters concerning technical-material supply among enterprises, many problems are also created as a result of the poor work by some state and economic organs in coordinating production with the needs, with transportation and so forth. Particularly, this is observed in those products whose production and distribution are in the jurisdiction of the enterprises and the executive committees of the district people's councils. Therefore, independent of nomenclatures and competencies, the executive committees and ministries must direct and deal at close hand with the problems that arise and also with those products whose production and distribution are under the jurisdiction of lower organs subordinate to them. Also, it is necessary for the ministries and other central institutions to give more consideration to the tasks entrusted to them in drafting on time the protocol agreements; some of them for 1980 have still not been sent to the districts and to headquarters.

These issues must receive more attention now because, with regard to the coordination of the demands with production, many problems have emerged which require a solution on the part of the executive committees and ministries.

Although, despite the shortcomings observed, there is a greater concern for the planning of production in kind, there is still no suitable implementation of the requirements of the methodology of planning so as to extend and perfect planning in kind, especially the indicators connected with the better utilization of production capacities and of raw materials, and with planning and monitoring the fulfillment of the tasks in regard to labor productivity, and so forth. It is necessary for these indicators to be fully extended in the drawing-up of the 1980 plan, because the level of their utilization provides deeper knowledge and better management of the economic and productive activity of enterprises and cooperatives, makes it possible to handle on a timely basis the tendencies of development which could not be discovered solely through the value indicators and to gain a deeper knowledge of the material aspect of the expanded socialist reproduction which has been established and so forth.

Coordination between the financial indicators and indicators in kind of production and so forth creates the necessary premises for establishing, on well-studied bases, the rates and ratios of expanded socialist reproduction and for studying and correctly planning the matters connected with the improvement of effectiveness of production and of resources, as well

as of the effectiveness of accumulation. Planning and finance organs must deal much better with these matters, never separating, even for a moment, the economic aspect from the financial aspect, especially in regard to the perfection of the planning of production costs.

The great tasks assigned by the party for the formation, distribution and utilization of accumulation, according to the plan and with the greatest effectiveness possible, as well as for the strengthening of control through the means of the lek, require that the finance organs be more active during all the stages of the drawing-up of the plan and of the fulfillment of the plan. They must deal much better with the use of internal financial reserves at the disposal of our economy. Here it is important to improve the work for the broad perfection of the direct methods for the calculation of financial indicators, always planning on the basis of the indicators of the economic plan. We must eliminate those instances when, although production tasks are not fulfilled, the financial indicators are overfulfilled.

3. /Strengthening of aid and control for drawing-up the best studied and best documented plans at the base--an important task for strengthening the scientific content of the single and general state plan./

At the present stage when, along with the dimensions taken by social production, the centralization of production has been achieved, the role of enterprises in solving important and complicated tasks, entirely with their own forces, has also been increased in a manner unprecedented in the past.

/"The level of the scientific character of the single state plan also depends on the scientific level of planning at the base,"/ Comrade Enver teaches us.... /"Therefore, our state organs, beginning with the [State] Planning Commission, the Ministry of Finance and all other departments, as well as the executive committees of the district people's councils, must devote particular attention to the perfecting of planning at the base,/ to the entire complex which would lead to the improvement of the scientific level of planning...."

The continuous struggle of the party against bureaucratic manifestations has continually improved the level of the participation of workers and cooperative members in the execution of the line of the masses, as well as the role of the collective in the process of planning and in the process of fulfilling the plans.

However, here and there, there are manifestations of formalism in the preparation for and organization of discussions on the draft plan with the working collectives which diminish the participation of the masses in their planning. The strengthening of aid and control at the base must aim at converting the time of discussions on the draft plan into a period when the working masses, activated through the various ways and forms of work, will

present their ideas and proposals on the future plan tasks in the broadest manner possible, as well as a period for struggling against the tendencies rooted in some directors and administrations, that is, not to properly reflect in the plan the proposals made by workers, cooperative members and other working people.

Another important objective of the aid at the base must be the expansion and perfection of the planning methods, especially the balancing and norming methods, and the most complete utilization possible of advanced experience. It must better serve the coordination of the plan between its parts and indicators, as well as the better strengthening of planned economic ties between producing enterprises, user enterprises and transport enterprises and so forth, so as not to allow deficiencies that create obstacles and difficulties during the fulfillment of the stipulated tasks.

The improvement of the level of planning in enterprises and cooperatives requires a greater attention to determining in the most correct way, according to the plan, the directions of the scientific-research work and of the development and execution of technology and science in production, better coordinating them with the tasks of the economic plan and with the problems of long-range development in enterprises or cooperatives. Within this framework, the ministries and other central institutions must devote attention to the planning by enterprises and agricultural cooperatives of the material and financial base needed for carrying out studies and experiments, as well as to the better solution of the issues that arise in this field.

Despite the work done, there is still room for improvement of planning in agricultural cooperatives, because the level of the work in drafting the plan in many of them is relatively lower than in agricultural enterprises. The aid must aim at further strengthening their planned management in regard to matters concerning the intensification of agricultural production, at a better cooperation between agricultural branches and at the specialization of production in agricultural cooperatives. Likewise, it is required that the tasks of increasing production be better harmonized with all other aspects of expanded socialist reproduction in agricultural cooperatives, especially in order to establish the most correct ratios possible in the use of the social product and of general net revenues of agricultural cooperatives, for the further perfection of certain problems concerning the planning of technical-material supply and, especially the execution of the tasks in the field of investments and of basic constructions and so forth.

The problems which have to be solved for the further perfection of scientific planning are quite broad. Examining some key issues, it is necessary that the state and economic organs further reinforce their concern so as to deal much better with the tasks assigned to them.

Making the problems of the perfection of planning and the most complete execution of methodology the concern of everyone, the state and economic organs, under the party's leadership, both in 1980 and in the future, will better

implement the great tasks assigned by the party and Comrade Enver's teachings so as to draft the best studied, real, mobilizing and revolutionary plans--plans that take the situations into consideration and that guarantee the mobilization of all our domestic reserves and opportunities to progress at rapid paces on the road of the complete building of the socialist society in our fatherland.

9150

CSO: 2100

WORK FORCE POTENTIAL TO YEAR 2000 VIEWED

Prague HOSPODARSKE NOVINY in Czech 27 Jul 79 p 4

[Article by Dr Vladimir Srb, Federal Office of Statistics: "Hands Will Continue to Be Hard to Come By: Trends in Work Force Potential to the Year 2000"]

[Text] In recent years, 50,000-70,000 workers have entered the national economy annually. At the end of 1978 they totaled 7.213 million. Of every 100 persons of working age (men aged 15-59, women aged 15-54), 83.3 participated in the labor force. Persons over the working age represent a significant fraction of the population, their total fluctuating annually around 610,000-620,000, which equals 8-9 percent of the total number of workers.

The number of workers in the national economy depends on what is called the work force potential, that is, the number of persons of working age. At the end of 1978 there was a total of 8.655 million people of working age (5.812 million in the CSR and 2.843 million in the SSR), of which 4.536 million were men and 4.119 million were women. If the labor force participation rate remains constant, then the number of workers is determined by demographic factors, since in calculating the labor force in socialist countries, worker relocations or migrations are insignificant. There are at present only 12,000-13,000 foreign workers employed in Czechoslovakia, while perhaps a thousand workers leave the CSSR to work.

The way the enterprises keep pressing for more workers raises doubts about the extent to which these demands can be met by our demographic reserves, either existing or projected. Increasing the labor force participation rate of those able to work cannot be considered to any great extent, and then only for women. It is not even really possible to consider a higher employment rate for the working-age population, since their numbers will also depend on the size of the cohorts reaching retirement age (60 years for men, 55 (average) for women).

In 1977 the Federal Office of Statistics computed the most recent population projection up to the year 2000; at the beginning of this year these

projections were reassessed for the years 1979-1990 by the Czech and Slovak Offices of Statistics. According to these projections, the CSSR will have 16.077 million inhabitants in 1990 and 16.869 in 2000.

Using the data provided we can calculate, on the basis of the projected age composition of the population, both the work force potential and the number of persons projected to participate in the labor force (cf. table below).

Working-Age Population Trends, 1980-2000
(Men aged 15-59, women aged 15-54)

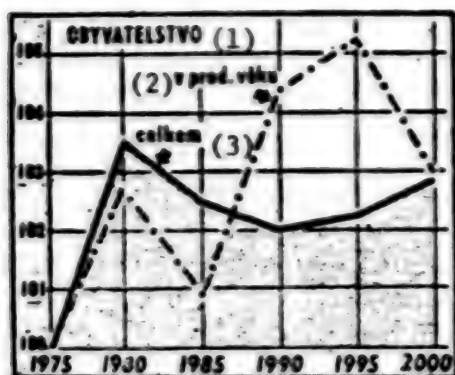
| Year 31 XII | No. in thousands | | | Index: 1975 = 100 | | |
|----------------|------------------|-------|-------|-------------------|-------|-------|
| | CSSR | CSR | SSR | CSSR | CSR | SSR |
| 1980 | 8,729 | 5,842 | 2,887 | 102.7 | 101.6 | 104.9 |
| 1985 | 8,806 | 5,851 | 2,955 | 103.6 | 101.8 | 107.4 |
| 1990 | 9,183 | 6,087 | 3,096 | 108.0 | 105.9 | 112.5 |
| 1995 | 9,659 | 6,339 | 3,320 | 113.6 | 110.3 | 120.7 |
| 2000 | 9,937 | 6,425 | 3,512 | 116.9 | 111.8 | 127.7 |

Note: Variant including migration up to 1990; for 1991-2000, migration not included.

The longrun growth trends of the work force potential are relatively favorable. Between 1975 and 2000 the population will grow by 13.5 percent, while the number of those of working age will grow by 16.9 percent. Even in the CSR the rate of growth of the work force potential should be greater (11.8 percent) than that of the population as a whole (8.0 percent). In the SSR an increase of 27.7 percent is projected for the working age population, with an increase of 26.6 percent for the total population.

However, in individual half-decades it will be otherwise. In the current one, for example, the total population will increase 3.5 percent, but the population of working age will grow only 2.7 percent. Trends in the two republics will be very similar: in the CSR a growth in total population of 2.5 percent, but in working age population only 1.6 percent; in the SSR the corresponding figures are 5.7 percent and 4.9 percent. We must be prepared for an even less auspicious development in the following half-decade, when the situation, or rather the disparity, will be even worse: with a rise of total population of 2.4 percent, we cannot count on an increase in the working age population of more than 0.9 percent. (The corresponding figures for the CSR are a 1.1 percent increase in total population, but only a 0.2 percent increase in the number of those of working age; in Slovakia rates of 5.0 percent and 2.4 percent are expected.)

1. Graph of Total and Working Age Population



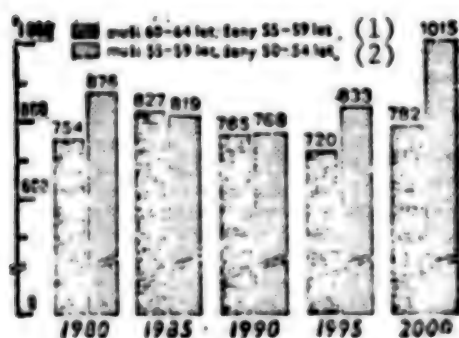
Key:

1. Population
2. of working age
3. total

We cannot expect a reversal of the trend mentioned above until after 1985: starting in 10 years the total population will grow more slowly than the working age population. During the last half-decade of the century the two curves approach each other, so the change will be steady. (Cf. Graph 1.) In such a short space I cannot, of course, discuss the structure of the work force potential (its age composition), but even the data presented here indicate significant problems and a strain in the area of the work force, at least until 1985.

The data presented in Graph 2 indicate to what extent it will be possible to count on persons of post-working age. As is clear at first glance, this extra work force potential could counterbalance the slower increase in the number of those reaching working age only to a very limited extent in the period 1981-1995. This age group will be able to play a more important role only toward the end of the century. On the same graph we can compare how many persons reaching retirement age this age group will replace at the same time.

2. Age Groups in Pre-Retirement Years and Post-Retirement Years



Key:

1. Men aged 60-64; women aged 55-59
2. Men aged 55-59; women aged 50-54

(Number of men aged 55-59 and women aged 50-54; number of men aged 60-64 and women aged 55-59; number of persons in thousands)

The cohorts approaching retirement age and those passing it differ significantly in size, in most cases. Exceptions are the half-decades 1981-1985 and 1986-1990. Especially toward the end of the century, the cohorts approaching the age of retirement will be significantly larger than those past this age.

What prospect do these trends in the work force potential offer for later periods? The new total figure for the work force, which correctly does not include among the employed either women on maternal or extended maternal leave or occasional workers, was calculated at 7.034 million workers for 1975. The figure rose to 7.213 million last year.

If we assume that the same proportion of working-age people will enter the work force in coming years, then the probable number of workers in 1990 will total 7.622 million, and in the year 2000 it will reach 8.248 million, thus growing 17.3 percent in a quarter century.

From this it follows that in order to achieve our long-term goals for the growth of the national economy we will have to rely not only on the demographically-determined number of workers coming from the work force potential, but also, and to a much greater extent than previously, on increasing labor productivity and making the other factors contributing to the society's development more effective.

8805

CSO: 2400

CZECHOSLOVAKIA

BRIEFS

MORE VEGETABLES, LESS FRUIT--Fruits and Vegetables Commercial Enterprise will offer to the CSR consumers 42,000 tons of vegetables this month, i.e., almost one-third more than in September 1978. Sufficient quantities of cauliflower, parsley, celery, cabbage, sauerkraut, carrots, and garlic, exclusively from domestic production should be displayed over the counter. There will be less fruits, namely peaches and pears. The yield has been poor not only in Czechoslovakia, but also in the neighboring countries. Grapes will be available and lemons will be in sufficient supply. An average harvest of apples and prunes is expected. [Text] [Prague PRACE in Czech 4 Sep 79 p 3]

CSO: 2400

GENERAL GOALS OF 1980 DRAFT PLAN LISTED

Warsaw ZYCIE GOSPODARCZE in Polish No 31, 5 Aug 79 p 5

In accordance with the guidelines of the Cabinet's Resolution regarding the procedure and time limits for elaborating the draft national socio-economic plan and the government budget for 1980, in order to secure the accomplishments of the current five-year plan assignments, individuals elaborating economic plans should direct their attention particularly to the following matters:

- intensifying activities aimed at raising management efficiency, especially through economizing measures with regard to materials and the worker force, and through better utilization of fixed assets;
- adjusting production assumptions to real possibilities of material provision and co-production supply;
- effectively developing the food economy, assuring in particular the development of grain and fodder production as well as of slaughter cattle and milk;
- increasing the supply of goods and services beyond the increase of the population's monetary profits;
- increasing export in directions important for balance of payments improvements and rationalizing import;
- further lowering the share of investments in national income and conducting an investment policy that gives priority to modernization investments;
- improving the reliability of the energetistic system and making transportation more efficient;
- fully realizing the housing construction program;
- intensifying the utilization of irregular stocks and limiting their growth;
- increasing the procurement and utilization of secondary raw materials.

ECONOMIZING MEASURES OF 1980 PLAN OUTLINED

Warsaw ZYCIE GOSPODARCZE in Polish No 31, 5 Aug 79 p 5

[Text] In work on the 1980 plan the economizing assignments prescribed by the Cabinet demand special attention. In addition to the injunctions touching on general improvement in management efficiency, in the matter of guiding principles for elaborating departmental and provincial draft national socioeconomic plans the Cabinet's Resolution calls attention to the following matters:

- rationalizing the management of repair, an improvement indispensable for rapidly making inefficient machines and appliances operative;
- better utilizing transport means and rationalizing conveyances, among other ways by decreasing railway conveyances of bulk materials by at least 10 percent in relation to 1979, especially by organizing rail operation in the vicinity of building sites;
- improving the management of work time by reducing the number of unworked hours per one worker of a production group by an average of 5 percent and by limiting the overtime hours, except for 24-hour operations, assuring the reduction of their number by 10 percent.

9451

CSO: 2600

COMMENTARY ON 6-MONTH PLAN FULFILLMENT GIVEN

Warsaw ZYCIE GOSPODARCZE in Polish No 31, 5 Aug 79 p 2

[Text] The first 6 months of this year were not easy ones for our economy. A complex of unfavorable weather conditions made for a difficult test, one that most acutely disclosed [our] weaknesses but also brought forth additional strengths and possibilities.

The beginning of the year brought severe frosts and heavy snows. Then during a late spring floods came, and in the second half of May and in June there was a drought. Weather anomalies, therefore, appeared--statistically speaking--in a concentration far exceeding the average of many years. How did our economy, not lacking in problems even before this, manage?

The answer to this question is offered by a GUS [Central Office of Statistics] bulletin on the fulfillment of the national socioeconomic plan in the first half of 1979.

The most difficult situation arose in agriculture, transportation, energy and construction. Problems in transportation and energy were reflected in turn in the work of other sectors, above all in that of industry. As a result, industrial production grew in the first half of the year in relation to a same period of the last year by only 0.6 percent, whereas the revised annual plan anticipates an increase of 5.1 percent.

In construction we note a decline in production of over 9 percent, and transport of freight was lower by 5.5 percent than in the first half of 1978. That is how the comparisons in the calendar period look; if one takes into consideration a comparable work period (thus one without holidays and days-off) the indicators would be somewhat better by about 1.5 points. That does not alter the fact, however, that the rate of development during that period has dropped off. At the same time in evaluating that period we must take into consideration the fact that with a smaller production than planned, the outlays for its achievement were greater than the planned targets. This concerns above all the wage-fund, a fact that has to intensify market tensions.

As is known, the party and government authorities have set a task before the economy--that of compensating for the delays from the first months and of fulfilling the plan. In light of the declarations and commitments of departments, unions and establishments, this task can be fulfilled. However, one must remember that of concern here is not only to attain the expected rates of production growth or services, but also to achieve the planned economic relations. Because, they above all, determine economic stability, and the last months have once more convinced us of how this lack of stability causes great problems and perturbations for each plant and collective.

At the beginning I mentioned that this difficult period not only disclosed weaknesses but also brought forth new strengths and possibilities. What is the point here? Above all it is a more efficient cooperation, a reciprocal lending of a helping hand, a surmounting of many departmental or administrative barriers. It was this that made possible more rapidly surmounting the effects of winter and of blizzards, assuring continuity in supplying the basic articles of the domestic market and so forth. This flexibility of activity, this initiative and committal are necessary not only in a "break-down" period, but also at present.

Since we want to realize the most important social goals, we must direct our efforts at overcoming tension in those sectors that have the greatest influence on the whole of our development and that at the same time determine the satisfaction of important living requirements. There are several such sectors, but the most essential to mention is the food complex.

The bad weather conditions have struck above all in agriculture. In spring it was necessary to plough up about 6 percent of the acreage sown with winter grains and over 50 percent of the acreage sown with rape. The yields of grain and rape will be smaller on the remaining areas. How can the effects of lower yields be counteracted? Above all through efficient harvesting and storage. Last year, when yields were relatively high, we suffered considerable losses as a result of "wet" grains. At present the concern is that everything that bears crops in the field be gathered so that it makes it in time to the grain elevators and the agricultural-food industry. For this agriculture needs help including equipment, transportation, and people. Sometimes these are trivial matters--a few hundred kilograms of sheafbinding rope delivered in time, additional supplies of replacement parts or standardized machine elements and so forth.

The whole economy must make a considerable effort not to allow a setback in the development of animal husbandry, which, as is known, will be determined by the fodder stores that we manage to amass during summer and autumn. Fodder aid on the part of the government--among others, in the form of additional imports--can mitigate the situation, but our own fodder is and will be the foundation of animal husbandry.

A second sector where help is necessary is transportation. The railroad will determine the provision of the majority of establishments, among others the provision of coal for the power industry and for other sectors of the economy and population. To the PKP [Polish State Railroads] to the repair establishments as well as those which overhaul and reconstruct subgrade tracks it will be necessary to direct more workers from other trades and departments. But the concern is not only that; it is also the prompt delivery of transport trains and of spare parts, the efficient loading and unloading of boxcars. No all establishments and unions have a clear conscience in this matter.

The third sector is foreign trade. The plans of export to the second area [capitalist countries] were not fully realized in the first half of the year, and we must remember that the magnitude of this export will determine the possibility of additional grain and fodder import.

In spite of the problems and difficulties in the first half of the year, decisions about the development of social services have been realized--the raising of the lowest wages from 1600 to 1800 zlotys has taken place, and the amount of annuities and pensions has grown by over 11 percent. The budget expenditure for social and cultural services has grown.

Five months remain to the end of the year. In this time one can make-up for many unaccomplished assignments by concentrating on the most important matters--on the utilization of raw materials, materials, energy and work resources for the fulfillment of the most necessary production which determines supply of the domestic market, export and supply of the most important areas of production. How we manage to realize this task depends not only the present situation, but more importantly also next year, the last year of the five-year plan.

9451
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PROBLEM AREAS IN CONTRACTING SYSTEM

Bucharest REVISTA ECONOMICA in Romanian No 24, 15 Jun 79 pp 9-10

[Article by M. Marinescu: "Supply-Sales Contracts for 1980"]

[Text] Better preparation and provision for the material resources of the plan and for sale of the output on the basis of contracts concluded in advance to substantiate the plan are major ways of perfecting the economic-financial mechanism. It goes without saying that in an economy like Romania's there is no more efficient and realistic way of determining the relationships of supply and sales than by direct contacts between suppliers and beneficiaries, within the general framework of the Uniform National Plan of course. If production is to be confined to output with an assured sale and the raw materials and materials are to be supplied in accordance with the production plan, the contracting must be done concurrently and in close correlation with the process of finalizing the improved parameters of the plan, so that the whole network of millions of contractual relationships in the economy will be covered in the plan's final ratification.

As we know, it was to improve the process of concluding the economic contracts, once the plans for 1979 and 1980 were approved, that the material quotas and the consumption ceilings were set for the plan beneficiaries. Accordingly some of the contracts for 1980 were concluded in 1978 and in the first months of 1979, providing some beneficiary and supplier enterprises with resources sufficiently in advance and maintaining continuity of the traditional relationships among the economic units. It is a good thing that 80 percent of the commodity output of domestic mineral raw materials planned for next year in the production structure of the MMPC [Ministry of Mines, Petroleum and Geology] has been contracted for. Sales contracts have also been concluded for 40-75 percent of the commodity output of the units in the chemical, machine building, forestry economy and construction materials, and electric power industries and the industrial output of the Ministry of Industrial Construction, etc.

But this action must be completely finalized according to the assigned tasks, partly by concluding all contracts and partly by supplementing the contracts that did not specify these details when they were concluded. There are still some lags, especially in the MIM, MIU and MAIPA [Ministry of the Metallurgical

Industry, Ministry of Light Industry and Ministry of Agriculture and the Food Industry/ as well as other industries, where the level of contracting is still low and less than 30 percent of the output planned for next year has been contracted for. Since the plan tasks for 1980 have been assigned and approved, the enterprises under these ministries especially, but also throughout the economy, must solve problems of both supply and sales in advance, long before the start of the plan.

Some problems in this area are of particular interest, and especially the one of establishing contacts with the beneficiaries of each producer unit in order to determine the production structure, upon which the preparation of a soundly substantiated supply plan heavily depends. According to the approved regulations, the industrial central or ministry that is the main producer of the respective material or product usually acts as the reserve coordinator and so also the drafter of this document essential to the preparation of the material resources of the plan. The reason for this is quite clear because no one can determine the production potentials better than the producer, and no one is more interested in determining the consumption requirements. Some industrial centrals coordinating reserves in the MICH, MMFG /Ministry of the Chemical Industry, Ministry of Mines, Petroleum and Geology/, MIU etc. have obtained good results by arranging working meetings with the main consumers and the supply centers in order to specify the consumers' requirements and the particular delivery terms, to determine the production problems, and to take the necessary measures in advance.

To organize such efforts it is not at all necessary to wait for other directives or special approval. Initiative and the desire to clarify the problems are all that is required. Unfortunately some industrial centrals and general directorates for supply and sales in ministries are still not acting in this spirit although they have been invested with the function of reserve coordinator, and they are unjustifiably holding up the contracting preparations this way. This is particularly true of the production of both series and unstandardized machines and equipment, some machine building materials and primary products (cables and electric conductors, assembly pieces, bearings, electrical equipment and lighting fixtures), light industry products, furniture, some construction materials, etc.

Preparation and delivery of the manufacturing plans for industrial equipment, on the basis of which the producer enterprises can draft their requisitions for materials and conclude their supply contracts, are vital problems in machine building. So far about 50 percent of the plans for the equipment allocated in the 1980 plan have been delivered by the MIM and MMFG, and about two-thirds of these by the MICH. In this area every effort must be made to expedite preparation of the plans and to revise the delivery schedules. This is particularly true of the metallurgical industry, where a large part of the equipment is supposed to be finished in the third and fourth quarters of this year. In the case of standardized equipment the delays are due to the fact that most of the ministries have not set the quotas for enterprises and have not sent the requisitions for a number of machines to the coordinators. This operation will have to be completed as soon as possible.

Similar problems also come up in connection with construction materials, as regards delivery of the documentation for investment projects. Lack of construction plans delays the builders in submitting their requisitions for prefabricated parts, various reinforced concrete structures, perforated strips [țisii cu goluri], large sections etc.

In light industry, the demands of fashion and the seasonal nature of some products do not justify delay in concluding the economic contracts, with clauses covering details (colors, fashions etc.) that will be finalized half-yearly, especially since the light industry output depends upon some vital supplies from other sectors and particularly from the chemical industry. The latter cannot wait for production to be finalized and sales contracts to be concluded because they directly affect its own procurement.

Nor is an adequate effort being made by some enterprises, centrals and ministries to finalize and deliver their requisitions promptly, especially those for metal. With the exception of some products of secondary importance for which quotas are not set, economic contracts for the metallurgical materials for 1980 have actually not been concluded yet. What is essential in this respect, in the light of past experience?

In the first place, the MICH [Ministry of the Machine Building Industry] units must begin at once to draft their requisitions in accordance with the measures adopted in each unit to reduce specific consumption of metal in 1980. In 1979 contracting for metals was held up for at least a month because most of the industrial centrals under the MICH submitted requisitions exceeding the plan allocations of metal by 15-25 percent. Tight discipline on the level of each enterprise and industrial central is a decisive factor for prompt conclusion of the economic contracts.

Contracting is often delayed because some producer units, beneficiaries and reserve coordinators as well as the branch ministry and the Ministry of Technical-Material Supply did not make an adequate effort to complete the programs for rationalizing transportation on time, and these programs are an indispensable prerequisite for mass materials before the economic contracts can be concluded. This working system is an objective necessity because it can save a large volume of social labor and avoid a number of long and expensive hauls that entail heavy consumption of fuels, immobilization of freight car parks and additional inputs of manpower. It suffices to say that gravel pit products are often carried for distances of 300-400 km and sometimes even further, and sometimes the shipping costs far exceed the price of the shipped product. Contracting for cement, bricks, chemical fertilizers etc. for 1979 was delayed for this reason and it is still being delayed.

It is particularly important to conclude the cooperative contracts between units under the same central or ministry. This is vital to efficient production in all sectors but especially in the machine building, light and chemical industries. Of course many difficulties are caused this year, in the manufacture of industrial equipment especially, by the failure of some machine building enterprises to deliver the components and subassemblies manufactured in cooperation.

This effort should be much better arranged by the MIOM with the centrals by organizing meetings between suppliers and beneficiaries according to groups of products in order to update all details of the cooperative programs, with precise delivery deadlines and specification of all technical, qualitative and other characteristics.

One thing that must be strongly combatted is disregard of plan discipline on the part of some enterprises and centrals, in the form of refusal to contract according to the allotments issued by the competent organs or contracting for smaller quantities or different varieties than those allotted. Such violations of the legal provisions also occurred during the period of contracting for 1979, especially in some enterprises of the metallurgical industry (Galati CS [Iron and Steel Combine], Buzau ISPS [Enterprise for Wire and Wire Products], Braila Rolling Mill, etc.), of the chemical industry (enterprises under the Central for Rubber and Plastics, the Central for Pharmaceuticals, Dyes, Paints and Varnishes, etc.), and of the machine building and construction materials industries, and they created disturbances in the production process. Therefore it is the duty of the competent organs to take the appropriate steps to prevent repetitions of these violations and to enforce the legal sanctions without exception when the measures are disregarded.

There are still situations where producer enterprises in metallurgy, chemistry and other sectors ignore their obligation to specify definite delivery dates in their contracts. This of course gives the beneficiary no guarantee whatever of punctual delivery of the goods contracted for. Since the effects of some of these situations are still being felt in this the first half of 1979, the ministries, centrals and enterprises must act at once to resolve all the problems for 1979 that are still unclarified. Therefore it is most urgent for the reserve coordinators to issue all the allotments of materials and products the reserves of which have been changed in the last few weeks or which involve still unresolved problems. In accordance with the regulations, all allotments must also be issued for the imported raw materials and materials contracted for, so that the beneficiaries will know all their sources of supply and all the dates on which the imports are to arrive. All contracts for the allotments issued must be concluded at once, with special emphasis upon prompt solution of precontractual disputes through direct meetings to which the representatives of the centrals and ministries will be invited.

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*Without fail at the end of the period, the quarter or even the half-year.

CAUSES, PREVENTION OF OVERSTOCKING

Bucharest REVISTA ECONOMICA in Romanian No 24, 15 Jun 79 pp 13-14

/Article by Vasile Gheorghiu, Ministry of Finance: "Elimination, Prevention of Surplus Stockpiles Essential to Financial Balance"/

/Text/ Circulating capital is one of the cash resources made available to the enterprises to maintain the continuity of the material production processes. It is formed separately from the state economic units' internal funds for socio-economic development through the intermediary of financing, and it is formed out of the profits made according to the plan and other resources, on the terms provided by law and within a quota of the planned annual growth of the total circulating capital that is set when the state budget is compiled. Moreover, stockpiles and other outlays in the nature of circulating capital are also financed out of other resources comparable to internal resources and also out of bank credits.

Rational use of these resources to form stockpiles and circulating capital in general is one of the most urgent problems.

As we know, circulating capital consists of raw materials and materials, fuels, products in course of manufacture, semifinished products, finished products, commodities and other values, according to the legal standards and the nature of the sector to which the economic units belong. These components of circulating capital are proportioned when the budget of incomes and outlays is compiled, in accordance with the plan tasks, the established stockpile norms, the criteria and methods specified in the legal provisions, and the approved work norms.

It is clear that optimal proportioning of the circulating capital requirement ensures rational use of the cash resources allocated to cover it. But the main considerations in implementing the budget of incomes and outlays must be to keep the stockpiles at the planned level and to prevent the formation of surplus stockpiles and circulating capital.

The party and state administrations emphasize efficient management of circulating capital. When economic-financial activity was analyzed on the basis of the balance sheet on 31 December 1978, the managements of the enterprises, centrals and ministries were assigned the task of eliminating financial immobilizations in

surplus stockpiles. For this purpose, schedules were drawn up to return such stockpiles to economic circulation.

In implementing the budget of incomes and outlays in the first quarter of 1979, the economic units with the aid of the central organs tried to meet the schedules and as a result the accounts as of 31 March show that the surplus stockpiles returned to economic circulation in this period amounted to considerable sums. Particularly good results were obtained in this area by the units under the ministries of the machine building industry (about 1.8 billion lei), of the chemical industry (1.0 billion lei), of forestry economy and construction materials (0.9 billion lei), and of light industry (0.8 billion lei).

These results were made possible chiefly by improvement of the supply process, observance of the system of supply through centers with strict conformity to the intervals between the prescribed deliveries, greater regularity of deliveries directly from the producer, revision of some contractual terms, better organization of production, reduction of the manufacturing cycles, assured sale of products through firm contracts with beneficiaries, etc.

But there are also frequent cases where the surplus stockpiles existing at the end of last year were returned to economic circulation, but new ones of other material values or in other units under the same ministry were partially or completely formed during the quarter. This indicates that the efforts to avoid immobilizations of financial resources in stockpiles and outlays in the nature of circulating capital were not comprehensive on the levels of the enterprises, centrals and ministries and, in the said cases, the efforts to eliminate some immobilizations were negated partly or entirely by insufficient effort to prevent the formation of new surplus stockpiles. Upon analyzing the structure of the immobilizations we find them in all stages of the economic process, primarily for subjective reasons. Thus in the case of raw materials and materials, the immobilizations in stockpiles are still due to disregard of plan and contractual discipline especially in the form of nonfulfillment of the production plan in the planned structure on the part of some chemical combines (Brazi, Savinesti, Turnu Magurele) and some plastics processing enterprises. The advance procurement effected by the Valea Calugareasca, Tirgu Mures and Turnu Magurele chemical combines and other causes brought about immobilizations of raw materials and materials amounting to more than 700 million lei in surplus stockpiles in the overall industrial activity of the Ministry of the Chemical Industry by 31 March 1979. On the other hand, failure to synchronize procurement by contracts with the planned consumption scheduled by months (within the quarter) at the Otelul Rosu Enterprise, the Slatina Aluminum Enterprise and the Buzau Enterprise for Wire and Wire Products as well as other causes led to the formation of surplus stockpiles amounting to more than 100 million lei.

These situations and others of the kind that brought about surplus stockpiles of raw materials and materials in enterprises call for more effective measures by the collective management organs of the economic units to promptly determine the conformity of the stockpiles to the established norms and standards and to correct them when deviations are found.

Improvement of the economic-financial mechanism has heightened the economic units' responsibility for resolving all problems of sale of the output back in the stage of drafting the plan, since in most cases the concluded contracts provide for regular production and sales. This basic requirement for consolidating independent economic-financial administration is especially important now, because the incomes from collections, which are basic to the formation of the economic units' own funds, depend upon its fullest possible satisfaction. Situations where enterprises have not yet solved problems of sale of their output are particularly anachronistic.

Accordingly, irregularity of production and failure to secure transport means are the main reasons why units under the industrial centrals showed immobilizations in stockpiles of finished products on 31 March 1979, stockpiles of manufacturing equipment, rolling stock, machine tools, precision machinery and tools, telecommunications and automation equipment, power and metallurgical equipment and hoisting machinery in the Ministry of the Machine Building Industry. But the chief reason for immobilizations in this stage of the production process is failure to secure the sales plan for some products with contracts (Sebes Hosiery Enterprise, Pucioasa Trainica and Bucegi enterprises, Hateg Fruits and Vegetables Enterprise, Deva Silk Weaving Mill, et al.). As we know, the legal regulations in force require the economic units to assimilate only products with sales assured by contracts or firm orders, but also to contract for all products within the production capacity that are ordered by the beneficiary units. The improvements made in the economic-financial mechanism included the provision (Law No 5 of 1978 on Organization and Management of State Socialist Units) that the enterprises must conclude long-term economic contracts to be adjusted annually so that there will be firm contracts for the entire internal consumption at the time the plan is approved. Obviously immobilizations of funds in products without sales assured by contracts are not just economic anachronisms or evidence of mismanagement of the funds made available to the enterprises. Such practices are outside the law.

In the case of incomplete production, the stockpiles are mainly due to disregard of the planned manufacturing cycle and nonfulfillment of the physical plan for commodity production. Because of their size these immobilizations create difficulties particularly for the units under the industrial centrals, in stockpiles of manufacturing equipment and rolling stock and, respectively, in those of machine tools, precision machinery and tools under the Ministry of the Machine Building Industry.

Experience tells us that enterprises that immobilize their funds in unplanned stockpiles and outlays reach the point of incapacity to pay unless they take remedial measures. Under the present regulations this may lead to preliminary bank control of the payments, with all the well-known legal consequences. Therefore the organs through which the enterprises are managed and especially the executive bureaus of the workers councils, which are legally responsible for the proper management and use of all material and financial resources of the units, must take more efficient action especially to ensure the regular and complete fulfillment of the physical production tasks in the planned structure, conformity to the planned production costs, regulation of procurement by quarters according to the output contracted for and the existing stockpiles, and assimilation only

of varieties that have been approved and contracted for. Moreover, manufacture of products in advance (which creates immobilizations in the machine building industry's units especially) must be confined to the legally regulated cases, and no deliveries in advance shall be made without the beneficiaries' express approval.

Analysis on the basis of the balance sheet at the close of the first quarter reveals that changes made (in the course of implementing the budget of incomes and outlays) in the structure of circulating capital and of the resources for financing it ultimately affect the balance of the circulating capital reserve, or rather its reliability.

Stockpiles and outlays in the nature of circulating capital are financed, at their total level specified in the budget of incomes and outlays for the close of the plan period, out of internal resources (the circulating capital fund properly speaking), out of resources comparable to the internal circulating capital fund (payments not falling due at the end of the plan period), and out of the planned bank credits. By the end of the first quarter of 1979 many enterprises had exceeded, sometimes by major sources, the planned acquired resources other than the bank credits. The volume of circulating capital increased proportionally in the assets, but in the case of some enterprises the stockpiles, charges and other debts increased so that the additional acquired resources did not add to the surpluses in the current account but were immobilized in material values and unplanned outlays.

Such a situation, wherein the immobilizations (of additionally acquired resources in stockpiles and supplementary outlays) did not affect the balance of the circulating capital fund or change the situation of the bank credits, gave rise to various interpretations of the significance of the concept of financial immobilizations in circulating capital. The situation is more complex than it appears at first glance and calls for adequate explanations in the broader framework of the improvements being made meanwhile in the methods of planning, checking and reporting circulating capital. I am convinced that in these situations it is a matter of impairing the quality of the balance of the circulating capital fund and weakening independent economic-financial administration, because the economic units' dependence upon unstable resources is increased, and because the alienation of these resources in charges or to procure unplanned stockpiles makes it difficult to return them to the current account when a payment falls due and accordingly threatens the immediate solvency of the enterprise. Therefore the requirements of independent economic administration call for greater caution on the part of the enterprises in committing their temporarily acquired resources to increase their stockpiles.

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NINE NEW LAWS PROPOSED TO AID MONTENEGRO

Belgrade BORBA in Serbo-Croatian 25 Jun 79 p 3

[Article by J. Radovanovic: "Five Billion Dinars for Montenegro This Year"]

[Text] Nine new laws submitted to the Parliament of Socialist Federal Republic of Yugoslavia (SFRY) by the Federal Executive Council (FEC), provide for the creation of a fund for renovation and reconstruction of areas hit by the earthquake, moratorium on numerous credit payments, import discounts, and federal takeover in satisfying some financial obligations. Republics and provinces will contribute proportionally to their contribution to the national product.

FEC has proposed nine new laws which would regulate creation of the fund, and control the circulation of moneys intended to aid Montenegro in the wake of the earthquake. The Parliament of the SFRY will discuss these laws within the next few days. The texts submitted contain four drafts of new laws, while others contain corrections and amendments to already existing laws, which either provide for taking over obligations which Montenegro will be unable to meet, delay the payment deadline for others, or facilitate its dealings with foreign countries.

The most prominent place in this "package of laws" that was submitted to the Parliament of the SFRY and to parliaments of republics and provinces by the FEC, certainly belongs to the law that provides for the removal of consequences of the earthquake. The draft of the law has fifteen articles. What do they prescribe?

"The Key"

In the first articles a "key" has been devised by which a fund has been set up to help reconstruct areas hit by the catastrophic earthquake in SR Montenegro. It is quite simple: Each republic and province will contribute proportionally to its contribution to the national product of the country the preceeding year.

Since the damage will not be estimated soon, and the reconstruction and construction must begin immediately so that the autumn rains do not catch

the populace of the region in tents, this draft provides for 5 billion dinars to be contributed by republics and provinces by the end of the year. In the draft, the following schedule was suggested:

| | |
|-------------------------|---------------|
| Bosnia and Hertzegovina | 627,500,000 |
| Macedonia | 274,500,000 |
| Slovenia | 804,000,000 |
| Serbia | 1,202,500,000 |
| Croatia | 1,328,000,000 |
| Montenegro | 96,500,000 |
| Voivodina | 562,500,000 |
| Kosovo | 104,500,000 |

These 5 billion dinars will include all the funds which were contributed thus far to Montenegro by all public or private sources through the Fund of Solidarity. The remaining amounts will be paid off by republics and provinces in three equal payments: The first at the end of August, the second at the end of October, and the third at the end of December of this year.

It is anticipated that by the end of 31 December 1979, a federal law will be enacted which will establish the additional sum to be contributed based upon final damage estimates.

Purpose

This law specifically provides for the purpose of funds contributed: 1) for renovation and construction of commercial buildings, cultural-historical monuments, and buildings for public use; 2) reconstruction and construction of the infrastructure; 3) repair and construction of housing, and publicly owned buildings; 4) rehabilitation of organizations of self-managing labor enterprises which show losses due to damages suffered from the earthquake; 5) renovation and construction of buildings for YPA (Yugoslav People's Army) or those used by the federal government; 6) for repair and construction of privately owned housing; 7) for planning, developing and clearing of terrain, for all preparatory work for repair and construction; 8) removal of other consequences of the earthquake.

The law ensures inspection of the use of allocated funds by the Parliament of SFRY, and parliaments of republics and provinces, along with supervision exercised by responsible federal organs.

The draft of the law provides that along with funds outrightly given to damaged areas, a separate law will be enacted, which would establish sums that republics and provinces would contribute in form of credits used for repair and construction of privately owned housing and commercial buildings.

The law that makes changes in the Law for the Provision of Means for Removal of Consequences of Natural Disasters, provides for additional 1.5 billion

dinars in credits for housing construction. However, if those funds prove inadequate, the Draft of the Law for the Provision of Means for Removal of Consequences of the Catastrophic Earthquake provides for the possibility that the People's Bank of Yugoslavia would approve one billion dinars for these purposes from its primary issue.

The Accompanying Laws

During a recent press conference the federal secretary for finances, Petar Kostic, stated that the fund may have at its disposal 5 plus additional 1.5 to 2.5 billion dinars. Although it is expected that the cost of reconstruction will be enormous, Kostic expressed the stand of the FEC that the primary issue should not be tied up too long in order that all the foreign credits are paid as agreed, regardless of their size.

Accompanying laws which will be offered in the "package of measures" to the Parliament of the SFRY for its approval provide for various discounts for Montenegro, moratoriums on credits, and federal assumption of its obligations. The federal government will take over annual payments from organizations of self-managing labor in Montenegro which were damaged by the earthquake, and which are due between 15 April 1979 to the end of 1985. The loans taken over will be those from foreign creditors, from the Federal Fund for Credit for Faster Development of Economically Undeveloped Republics and Provinces, from banks, and other domestic financial organizations.

According to the FEC's suggestions, five other laws would be changed or amended. The Customs Law would be amended so that import goods intended for earthquake damage relief would remain duty free. Similar help is anticipated with amendments to the Convertible Currency and Credit Transactions With Foreign Countries Law, and the Turnover of Goods and Services With Foreign Countries Law.

Deadlines for payment of some obligations are being postponed: For cost overruns on Beograd-Bar railway on the territory of Montenegro; credit payments will commence in 1985 instead of next year and continue until 1999. Credit payments to the People's Bank of Yugoslavia will be delayed by 6 years, from all banks that received those credits for specific purposes in 1975, and then gave them to enterprises which were affected by the earthquake.

Finally, the 1979 and 1980 budget of the Federal government contains special additional funds for financing of general social and public needs in Montenegro for those 2 years.

How Much Has Been Paid Thus Far

According to a recent statement by the president of the Executive Council of the Parliament of Montenegro, Momcilo Cemovic to Beograd businessmen, the Fund of Solidarity has thus far received more than a billion new dinars, along with 30 million in convertible currency from abroad.

Of course, it was difficult to calculate in monetary value the help received, especially during the days immediately following the earthquake, from all directions, including medicines, tents, equipment, and teams of experts.

The Federal government contributed 500,000 dinars as emergency help, a 500,000 dinar loan, and one million dinars in aid through the Federal Reserve Office.

9339

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YUGOSLAV AGRICULTURAL COOPERATION WITH AFRICAN COUNTRIES

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 3 Aug 79 p 6

[Article by Z. Cicmirko-Pokrajcic: "The Connection of Needs and Trust"]

[Text] Yugoslav organizations of self-managing labor enterprises have completed a great number of projects for the expansion of the agricultural industry in Algeria, Syria, Nigeria, Tunisia, Ethiopia, Sudan, Angola....

In their dealings with developing countries of Africa, our organizations of self-managing labor from the agri-industrial complex have learned valuable lessons in various fields of cooperation, especially in research and planning, product delivery and mechanization; construction projects for the agricultural infrastructure, agri-industrial plants, processing plants; in construction of irrigation systems, etc.

Numerous Yugoslav agricultural concerns participate in development of concrete aspects of cooperation concerning the construction of agri-complexes--PK Beograd, IPK Osijek, Makedonija of Skopje, Emona of Ljubljana, Energo-projekt of Belgrade, Gesonda, and Ingra of Zagreb, the Corn Institute of Zemun-Polje, the Institute for Farming and Truck Farming of Novi Sad, the Institute for Improvement and Production of Plants of Zagreb, the Tobacco Institute of Belgrade, and other organizations engaged in the production of agricultural machinery and equipment, fertilizers and various hardware used for plant protection.

When analyzing the various projects in which the Yugoslav enterprises and institutes are engaged, it can be concluded that there are a variety of projects and services needed by African countries: Planning and feasibility studies, planning and implementation of projects, transfer of technology and knowledge, leadership, education and training of personnel, etc. Completion of studies, planning and construction of agricultural plants is a long term project which can be completed only in segments, not only because of its size, but also because it requires an engagement of great financial resources, since those plants often cover large areas.

Visits for the Purpose of Introduction and Discussion

Along with construction of agricultural plants, Yugoslav self-managing labor enterprises also have a chance to participate in projects encompassing whole regions and to plan complex production systems. This means a coordination of concerns engaged in different economic activities. Yugoslav organizations of self-managing labor completed a number of agri-industrial projects for developing countries of Africa: Eight in Algeria, three in Syria, eight in Nigeria, two in Ethiopia, four in Sudan, five in Tunisia and seven in Angola.

The implementation of these projects encompasses construction of pilot farms, hog, sheep and cattle ranches, experimental centers and stations, slaughterhouses, leather processing plants, dairies, oil processing plants, freezers, grain elevators, mills, service shops, feed mills, warehouses, meat, fruit and vegetable canneries, fish ponds, fish processing plants, water reservoirs, dams, canals, levees, etc.

A great number of developing African nations expressed a special interest in complex cooperation with Yugoslav enterprises in the field of agriculture. Therefore, in a 10-month period in 1978 Yugoslavia was visited by 20 ministers from various developing countries in Africa. In talks with them, special attention was paid to cooperation in the field of agriculture and related industries. During the 46th International Agricultural Fair in Novi Sad, besides the 33 developing countries, representatives of 16 of the world's poorest nations also participated. The participants of the Round Table, which was organized for that occasion, gave concrete suggestions for permanent promotion and advancement of cooperation.

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